

THE DEPARTMENT OF STATE



Bulletin

Vol. XXXVIII, No. 979

March 31, 1958

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THE
OFFICIAL
WEEKLY RECORD
OF
UNITED STATES
FOREIGN POLICY

THE DEPARTMENT OF STATE

Bulletin

VOL. XXXVIII, No. 979 • PUBLICATION 6618

March 31, 1958

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

For sale by the Superintendent of Documents
U.S. Government Printing Office
Washington 25, D.C.

Price:
52 issues, domestic \$7.50, foreign \$10.25
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 20, 1955).

Note: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated.

United States Foreign Economic Policy

by Douglas Dillon

*Deputy Under Secretary for Economic Affairs*¹

My title as Deputy Under Secretary of State for Economic Affairs is something of a mouthful. I think it might be helpful if I started out by giving you a brief, perhaps sketchy, outline of what a Deputy Under Secretary of State for Economic Affairs does.

My job, in short, is to help the Secretary of State in formulating and carrying out United States foreign economic policy. This is an oversimplification which may become apparent as I explain some of my duties.

The United States Government in this second half of the 20th century has programs and activities in the fields of international trade, finance, economic development, resources, commodities, transport, and communications—to name but a few. One of my responsibilities is to help to assure that all of these various programs are coordinated and that all of them are in tune with our overall foreign economic policy.

Since other agencies of the Government also have a vital interest in all or some of these programs, there falls to me the task of working on a daily basis with the senior officials of such agencies as the Department of Commerce, the Department of the Treasury, the Department of the Interior, the Department of Agriculture, the Export-Import Bank, the International Bank for Reconstruction and Development, and the International Monetary Fund.

I am also responsible for coordinating the various forms of foreign assistance authorized under the Mutual Security Act so as to insure that the assistance which we offer serves the foreign policy

of the United States. This involves the responsibility for coordinating the functions of the International Cooperation Administration with the Department of State. ICA, as it is popularly called, is a semiautonomous agency within the Department of State. We are working to make the liaison between ICA and State closer than it has ever been before.

Perhaps I can refer to these as my domestic duties. On the foreign front, it is my job to represent the Secretary of State in dealing with foreign governments on all these matters involving foreign economic policy. Let me give you these recent examples.

First, let's talk about the agreement we have just signed with Poland.² This has been misunderstood by some people, and I would like to give you the facts.

In the first place, we didn't give Poland anything. We sold the Polish Government \$73 million worth of surplus agricultural products, and we made them a \$25-million loan.

In the second place, I don't think I need to tell a well-informed audience such as this that the American people have a deep affection for the Polish people and sincere sympathy for their struggle for internal freedoms and national independence. We have several million solid citizens of Polish origin who have made a significant contribution to the building of our country and our democracy.

And in the third place, the United States has never used food—or the needs of people—as a basis for bargaining. We are selling Poland wheat, cotton, animal feed grains, vegetable oils, and dried

¹ Address made before the League of Women Voters at Newark, N.J., on Mar. 14 (press release 122 dated Mar. 13).

² For text, see BULLETIN of Mar. 3, 1958, p. 351.

milk. There is no question but that the people of Poland know who this food is coming from.

The \$25-million loan will be administered by the Export-Import Bank. It is a straight loan, to be repaid in 20 years, carrying 4½ percent interest. I might add that we think Poland is a good credit risk.

Second, there is our recent agreement to make available \$225 million in loans to help India in her 5-year plan of economic development.³ Although India does not always see eye to eye with us on matters of foreign policy and is listed among the neutral nations, we Americans have a vital stake in the success of her development plans. This is because India at home is stanchly wedded to the principles of freedom and democracy and is out to prove that a free and democratic Asian government can give its people more than a Communist regime. The competition between India and Red China in the race to improve living standards is direct and clear cut. If democracy should lose this contest and India should be pushed toward communism, the result would be disastrous for the free world.

In our recent agreement the Export-Import Bank and the Development Loan Fund joined hands. The Export-Import Bank granted a 15-year credit of \$150 million for the purchase by India of goods manufactured in the United States. The Development Loan Fund made available a \$75-million loan repayable in rupees. It is expected that the bulk of these funds will also be spent in the United States.

The third example of my activities in dealing with foreign governments is quite different. Last August the representatives of the American Republics met in Buenos Aires for an Inter-American Economic Conference. Over a period of 3 weeks all of our common problems were examined. The result of the conference was a series of 40 resolutions that will govern our economic relationships with our Latin American friends. The Secretary of the Treasury served as the head of our delegation, but, after outlining our overall policy in a major speech,⁴ he was called back to Washington and the responsibility of heading the U.S. delegation and negotiating an agreement was turned over to me just 3 days after the conference started. One

of the results of this conference was the Economic Declaration of Buenos Aires,⁵ in which we and our Latin American neighbors set forth the basic economic philosophies and policies that we hold in common.

Our Worldwide Economic Relations

My purpose in discussing these individual cases has been to give you an idea of the wide range of activities covered by our Government in the economic field today. This range is a comparatively new development. Twenty-five years ago the Federal Government played a very minor role in the economic affairs of the Nation, both on the domestic and international scene. But among the lessons we have learned is that a workable system of trade, finance, and development can only be achieved through intergovernmental cooperation.

I do not mean to imply that international trade and finance must be managed by regulations issued in Washington, London, Paris, and Rome. If such an attempt was made, world commerce would wither on the vine. In today's complex economy, trade needs elbow room.

But, nevertheless, today the United States Government plays a direct and important part in many fields of business activity; and I am not referring to that personal problem we have all been struggling with lately—the income tax. I am talking about the rules of the game which the Government sets forth for aviation, shipping, telecommunications, fuels, surplus commodities, and critical raw materials—to name a few. These rules are worked out in agreement with other affected nations, and they are the foundation of our worldwide economic relations.

Now I would like to say a few words about the objectives of United States foreign economic policy. The broad objective of our economic policy is identical with that of our regular foreign policy. Its purpose is the same—to protect and advance the national interest, to improve the security and well-being of the United States and of its people.

Specifically, this objective has three goals. I would like to discuss each one of them briefly.

First, we are working to promote the economic strength of the United States through foreign trade. A few statistics may help to tell the story

³ For a Department announcement and a statement by Secretary Dulles, see *ibid.*, Mar. 24, 1958, p. 464.

⁴ *Ibid.*, Sept. 16, 1957, p. 463.

⁵ For text, see *ibid.*, Sept. 30, 1957, p. 540.

of just how important international commerce is to our own economy. It is estimated, for example, that the families of at least $4\frac{1}{2}$ million American workers—or about 7 percent of our labor force—gain their livelihood from foreign trade. Exports make up about 9 percent of the value of our production of movable goods—8 percent for manufactured goods and 11 percent for agricultural products. In some industries the proportion of goods sold abroad runs substantially higher. For example, export trade takes 19 percent of the trucks manufactured in the United States, 40 percent of the tracklaying tractors, 11 percent of the machine tools, and 26 percent of the construction and mining equipment.

Through our foreign trade the United States obtains from abroad a wide range of goods which are not available here at all, or at least not in sufficient quantity. We obtain from foreign sources almost one-fourth of our iron ore, one-third of our copper and rubber, over one-half of our raw wool, and the great bulk of our supplies of tin, nickel, and newsprint. Most of our supplies of various ferroalloying ores and metals come from abroad, as do industrial diamonds, mica, and asbestos.

Second, we are working to promote the economic strength of the free world and particularly of the less developed nations of Asia, Africa, and Latin America. This objective has become increasingly important since the end of World War II.

Twenty new nations have come into being in the past 12 years. The leaders in these young countries are being pressured by their peoples to give them a great deal more than the bare subsistence standard of living they are accustomed to—and to do it quickly. Our efforts to help these people are based on enlightened self-interest. We know that a prosperous world of free nations brings economic and military advantages to our country. We know, too, that these nations constitute an explosive force. They must grow and develop, or else.

Third, through our foreign economic policy we seek to build and maintain unity, a fabric of strength, in the free world. To carry out this objective we have entered into a series of treaties and alliances such as the North Atlantic Treaty Organization, the Southeast Asia Treaty Organization, the Rio Treaty, and the Organization of

American States. Through these alliances, and other similar ones, we work to build a common strength for peaceful progress.

By working with the free-world countries for their and our economic advancement and in helping to build a durable community of nations, we are demonstrating the interdependence of nations which I spoke of earlier.

Tools of Foreign Economic Policy

Now the question comes naturally to mind: How does the United States go about achieving these three broad objectives? In brief, our foreign economic policy uses these tools:

- (1) Expanded trade
- (2) Private investment
- (3) The mutual assistance program

The task of achieving an expansion in world trade and commerce is undertaken primarily through the trade agreements program. We seek the gradual, selective, and reciprocal reduction of tariffs and the elimination of quantitative restrictions on imports. We are trying to end unnecessary governmental barriers to trade.

By removing or reducing barriers to foreign trade, the United States contributes to its own economic advancement and, at the same time, to that of other countries. When foreign nations reciprocate in tariff reduction, as they must do, and remove restrictions on international payments, the stimulus to our and to their economies is increased.

The United States over the years has taken the lead in this program. This is perhaps natural. We are not only the world's largest exporter but also the world's largest importer. Our purchases play a dominant role in critical segments of many foreign countries. For example, when you ladies think the price of coffee is too high and slow down on buying, the effect is felt very quickly in a half dozen South American countries.

In talking about the trade agreements program, I would like to congratulate the League of Women Voters for the excellent survey which the League made on "Foreign Trade and New Jersey Manufacturers." This survey shows that the interests of New Jersey, the sixth largest industrial producer in the Nation, would be served by an increase in the present level of international trade.

The reciprocal trade agreements program is now

before Congress for renewal.⁶ It has been renewed 10 times by Congress since 1934. Unfortunately, I think, the small minority of industries which feel, rightly or wrongly, that they would be hurt by any reduction of tariff barriers is extremely vocal. They lead people to believe that passage of this legislation would put them out of business. Actually, the President's authority under the trade agreements program is strictly limited, both as to the extent of reductions in tariff rates and the circumstances under which tariff discussions may be started.

I believe that economic statesmanship will prevail and that Congress will renew the program enabling the United States to continue to lead the world in the effort to break down barriers to trade.

The second of our tools is a continuing effort to encourage the flow of private capital into foreign investment. Private capital is the traditional American way of getting a business started. It has the great advantage of carrying with it the managerial and technical talents necessary for the success of the enterprise. American private capital has done a remarkable job in helping to develop Latin America to the south and Canada to our north.

By the very nature of things, though, the nations which most need outside help—the 20 new nations created since the end of World War II—are not yet attractive to foreign investors. They lack such basic necessities as good ports and harbor facilities, roads, railway transportation, electric power, and modern communications. Without these, venture capital considers the risk too great to make sizable investments in plant and equipment. Governmental help is required.

This brings me to the third and final objective of our foreign economic policy. This is our goal of helping the less developed nations by providing them with economic and technical assistance. This effort is a part of the mutual security program.

Three weeks ago in Washington a bipartisan conference of business and organization leaders

was held.⁷ It was called the Conference on the Foreign Aspects of United States National Security. President Eisenhower, Vice President Nixon, Secretary of State Dulles, former President Harry Truman, former Secretary of State Acheson, Adlai Stevenson, Bishop Sheen, and many other leaders in the life of our nation took an active part. President Eisenhower called it the most unusual gathering he had ever attended. I am sure you read a good deal about this meeting in the newspapers. I merely want to point out here that, in the great diversity of opinion expressed during this conference, I do not recall a single speaker advocating that we reduce economic assistance or technical cooperation to the less developed nations. In fact, many speakers expressed the strong conviction that we were not doing enough in this field.

The Development Loan Fund

I will not go into the details of our mutual security program, but I would like to mention the Development Loan Fund. This was voted into existence by Congress last year with an initial appropriation of \$300 million.

Through the Development Loan Fund we lend money to the newly developing nations for projects that contribute to their economic growth. We will make many of these loans at lower interest rates than the Export-Import Bank, and we will in many cases allow repayment in local currencies. We will not make loans when we don't see a reasonable chance of getting repaid, but in order to get development started we will take greater risks than other financial institutions can afford.

We are asking Congress this year to appropriate an additional \$625 million for the Development Loan Fund. Congress authorized this additional \$625 million last year but did not actually appropriate it. Already we have applications far exceeding the combined \$925 million. If we are to meet the challenge, it is essential that the Congress vote the full \$625 million which we have requested.

The technical cooperation program for fiscal year 1959 amounts to \$164 million. With this money we will help the newly developing countries get on their feet. We are working with them in the fields of education, public administration, health, sanitation, medicine, agriculture, and in-

⁶ For President Eisenhower's message to Congress requesting continuation of the trade agreements program, see *ibid.*, Feb. 17, 1958, p. 263; for statements by Secretary Dulles and Secretary of Commerce Sinclair Weeks before the House Committee on Ways and Means, see *ibid.*, Mar. 17, 1958, p. 432.

⁷ For texts of addresses by President Eisenhower and Secretary Dulles, see *ibid.*, Mar. 17, 1958, p. 411.

ternal security. We are not trying to give these peoples America's standard of living. We are trying to get them "up off the floor." They have taken the longest count in history. They have lived with poverty and disease since the dawn of man, and the time for change has come.

We can already count some significant successes for our programs of economic assistance. We started with Greece and Turkey shortly after the end of World War II, and we helped save both of these countries from Soviet imperialism. The Marshall plan in Europe was a phenomenal success. From the ruins of the war the free nations of Europe have risen to levels of productivity far above anything known previously. The value of the foreign trade of free-world countries in Europe has almost doubled during the past decade. More recently our programs in south Vietnam have brought amazing growth and stability to that country, which was gravely threatened by Communist imperialism only 3 years ago.

A New Challenge

In our efforts to help the less developed nations of the world, we now face a new challenge. The Soviet Union, deterred by the strength of the free world from outright aggression, has stepped up an economic offensive that began shortly after Stalin's death.

Through offers of aid in Asia and Africa the Communists are seeking to promote their political objectives, to reduce the influence of the United States and other freedom-loving peoples, to disrupt free-world defensive alliances, and to increase their own prestige and power.⁸ In the last 5 years the Soviet Government has made economic assistance agreements with the less developed nations outside of the Sino-Soviet bloc totaling over \$1.5 billion. At the recent Afro-Asian Peoples' Solidarity Conference in Cairo, the Soviet delegate declared:

We do not seek to get any advantages. We do not need profits, privileges, controlling interest, concession or raw material sources. . . . Tell us what you need and we will

⁸ For a statement on economic activities of the Soviet bloc in less developed countries made by Mr. Dillon on Mar. 3 before the Senate Committee on Foreign Relations, see *ibid.*, Mar. 24, 1958, p. 469.

help you and send, according to our economic capabilities, money needed in the form of loans or aid . . . to build for you institutions for industry, education and hospitals. . . . Our only condition is that there will be no strings attached.

Those are attractive words, but to many of the less developed nations they can be dangerous words. President Eisenhower summed it up in his message to Congress on the mutual security program⁹ when he said:

If the purpose of Soviet aid to any country were simply to help it overcome economic difficulties without infringing its freedom, such aid could be welcomed as forwarding the free world purpose of economic growth. But there is nothing in the history of international communism to indicate this can be the case. Until such evidence is forthcoming, we and other free nations must assume that Soviet bloc aid is a new, subtle, and long-range instrument directed toward the same old purpose of drawing its recipient away from the community of free nations and ultimately into the Communist orbit.

This is the challenge we face. It is formidable. It is real. We must accept this challenge and face up to it exactly as we have accepted the Soviet challenge in the space and missile field. I am confident that we can win and that we will win this battle for the cause of freedom and liberty.

German Minister of Economics To Visit United States

Press release 120 dated March 11

Ludwig Erhard, Minister of Economics of the Federal Republic of Germany, will leave for the United States on March 22 at the invitation of the U.S. Government. He will visit Washington, D.C., and will later go to New York. The Minister will return to Bonn on approximately April 2 or 3.

Dr. Erhard will confer with officials of the U.S. Government during his stay in Washington. In New York he will have discussions with American leaders in the fields of business and industry. The discussions will center on general questions relating to economic and financial matters, including economic development.

⁹ *Ibid.*, Mar. 10, 1958, p. 367. For a statement made by Secretary Dulles before the House Committee on Foreign Affairs, see *ibid.*, Mar. 17, 1958, p. 427; for a statement by ICA Director James H. Smith, Jr., see p. 527.

Fourth Meeting of the Council of the Southeast Asia Treaty Organization

Following is the text of the final communique issued at the close of the fourth annual meeting of the Council of Ministers of the Southeast Asia Treaty Organization, held at Manila March 11-13, together with statements made by Secretary Dulles upon his arrival at Manila and at the opening and closing sessions of the Council Meeting.

FINAL COMMUNIQUE, MARCH 13

Press release 125 dated March 13

The Fourth Annual Meeting of the SEATO Council was held in Manila from 11th to 13th March 1958 under the Chairmanship of the Acting Secretary of Foreign Affairs of the Philippines, the Honourable Felixberto M. Serrano.

The Council reviewed the world situation with special attention to the Treaty Area, approved the work of the Organization since the meeting in Canberra a year ago,¹ and considered reports by the Council Representatives, the Military Advisers and the Secretary-General.

The Council welcomed the appointment of H. E. Nai Pote Sarasin of Thailand as Secretary-General of the Organization. This position was created at last year's meeting.

Security of the Region

The Council considered the continuing Communist threat to the region. The Ministers reaffirmed their determination to maintain national and collective defence against the possibility of Communist and Communist-inspired armed aggression, while at the same time earnestly working for international disarmament with adequate safeguards covering both nuclear and conventional elements.

SEATO has become a bulwark which has en-

¹ BULLETIN of Apr. 1, 1957, p. 527.

abled the countries protected hereby to proceed in peace with their programmes of national development.

Members of SEATO recognized that a threat to security or to freedom in any region of the world was a threat to security and freedom everywhere.

Some criticism of the aims and objectives of SEATO continues to be heard. The Council agreed that every country has the right to follow the policy it prefers. The Council noted with regret that some countries nevertheless continue to criticise the collective security arrangements of the free world, though such arrangements are in accordance with the United Nations Charter.

Subversion

The problems of Communist subversion in the Treaty Area were discussed at length. It was recognized that this represented the most substantial current menace.

The Council was of the opinion that collective security measures had resulted in the diversion of the emphasis of Communist activities from the military to the non-military field.

Communist and Communist-inspired activity has continued within the Treaty Area. In countries protected by the Treaty there has been a noticeable change of emphasis by the Communists to activity in the economic, political and cultural fields and also to activity within youth and labour organizations.

The Council welcomed the counter subversion measures being taken by the members and noted particularly the success of the Seminar on Countering Communist Subversion held in Baguio in the Philippines last November.²

The Council recognized that in view of the insidious character of Communist subversion there

² For text of a final communique issued on Nov. 29, 1957, at the close of the seminar, see *ibid.*, Dec. 23, 1957, p. 993.

was particular danger arising from some non-Communist governments failing to distinguish between the aims and ideals of the free world and the purposes of international communism.

Economic Activities

The Council heard statements on the economic progress and problems of the Treaty Area and on what further steps could be taken inside and outside SEATO to attain the economic objectives set forth in the Manila Treaty.³

A principal means of attaining these objectives continues to be through extensive bilateral and other economic arrangements between the SEATO countries. During the past year over \$700,000,000 for economic purposes was provided for countries covered by the Manila Treaty, principally by the United States. This aid is a major factor in preserving peace and genuine independence for countries of the region.

Australia announced that it would make available to the Asian members of SEATO a further £A1,000,000 (\$2,240,000) for purposes generally related to SEATO defence; this is in addition to £A2,000,000 previously contributed by Australia for these purposes.

The United States announced that \$2,000,000 was being made available to the Asian members of SEATO for vocational and on-the-job training. Australia, France, New Zealand and the United Kingdom also offered to help on various aspects of skilled labour training.

The United States also announced that the major portion of its economic aid was now being directed to the region of Asia.

The Council approved in principle a project submitted by Thailand to establish a SEATO Graduate School of Engineering in Bangkok and several members announced that they would be pleased to participate in providing the necessary funds.

Cultural Activities

The Council agreed to continue and expand its programme of cultural activities.

The Council expressed its satisfaction at the holding in Bangkok under SEATO auspices of a Round Table on the impact of modern technology upon traditional cultures in South East Asia. A

number of SEATO Fellowships have been awarded and some Members are conducting bilateral cultural exchanges.

The Council agreed to continue its fellowships programmes and to initiate new cultural projects, the most important being a scholarship programme and the appointment of professors at universities of the Asian members and of travelling lecturers.

Relations with other Organizations and Countries

The Council expressed its interest in the development of relations with other collective defence organizations of the Free World as well as the facilitation of an exchange of information and opinion between these organizations on a mutually agreeable basis. The Council authorized the Secretary General to enter into contact with the Secretaries General of other collective security organizations of the Free World.

The Council considered that contacts between SEATO and non-member States had proved useful in many respects and directed that, as circumstances permitted, such contacts be continued and expanded in the coming years.

Work of Military Advisers

The Council noted with approval the work of their Military Advisers and of the Military Planning Office, which has completed its first year's work. Plans in fulfilment of the defensive role of SEATO have been developed to resist aggression in the Treaty Area. Since the last Council meeting four major SEATO military exercises have been held as well as three multilateral or bilateral exercises. These have served effectively to increase the degree of cooperation between the forces of the SEATO powers and to make them more ready for speedy action in the event of any sudden attack. The Council authorized a further programme of combined exercises.

The Council learned with regret the news of the relief of Brigadier General Alfredo M. Santos, who has been the first Chief of the SEATO Military Planning Office. He is returning for re-assignment in the Philippines.

The United States and the Philippines announced that they intend to co-sponsor a defence college to be located in the Philippines. This would be open to members and non-members of SEATO. The Council took note of this announcement with particular interest.

³ For text, see *ibid.*, Sept. 20, 1954, p. 393.

1958/59 Budget

The Council approved Budget Estimates totaling \$850,360 for the financial year 1958/59, to cover the cost of the Secretariat-General and Military Planning Office in Bangkok and to finance certain joint programmes.

Next Meeting

The Council accepted with pleasure the invitation of the New Zealand Government to hold its next annual meeting in Wellington.

Conclusion

The Council considered that the work of the present meeting had helped to consolidate the work already achieved by SEATO. They placed on record their determination to continue to work together for the security and progress of South-East Asia in accordance with the principles and purposes of the Charter of the United Nations. The Council Members again emphasized the defensive character of SEATO and reaffirmed the principle that international disputes be settled peacefully in accordance with the principles of the United Nations Charter.

The Representatives attending the Fourth SEATO Council Meeting were—Australia—Rt. Hon. R. G. Casey; France—M. Christian Pineau; New Zealand—Rt. Hon. Walter Nash; Pakistan—Hon. Nawab Mozaffar Ali Khan Qizilbash; Philippines—Hon. Felixberto M. Serrano; Thailand—H. R. H. Prince Wan Waithayakon Krommun Naradhip Bongsprabandh; United Kingdom—Rt. Hon. Selwyn Lloyd; United States—Hon. John Foster Dulles.

SECRETARY DULLES' ARRIVAL STATEMENT, MARCH 10

The fourth meeting of the SEATO Council provides a welcome opportunity to pay my fourth visit to the Philippines since I became Secretary of State.

The pleasure of greeting again such good friends as President García and Secretary Serrano is a particularly happy aspect of this Council meeting.

It is, however, a serious purpose that brings together in Manila the Foreign Ministers of the SEATO member states. We are here to review

the activities of SEATO over the past year and plan for the next 12 months. We must meet the need, so well expressed by President García in his inaugural address, for strengthening further the fabric of this regional defense organization and the capabilities of our Asian allies to meet subversion and open aggression.

Behind the bulwark afforded by SEATO the countries meeting here are enabled, in the words of the Pacific Charter, to continue to cooperate in the economic, social, and cultural fields in order to promote higher living standards, economic progress, and social well-being in this region.

STATEMENT BY SECRETARY DULLES, OPENING SESSION, MARCH 11

Press release 121 dated March 11

I am honored now for the fourth successive time to represent the United States at this Ministerial Meeting of the SEATO Council.

I first of all record here the deep grief felt by the American nation at the death of President Magsaysay. He participated actively in the founding of this organization. It was he who inspired our Pacific Charter. Throughout his life he fought the good fight, striving as a patriot and world statesman for the peace, liberty, and human dignity which are the goals established by our treaty and by the Pacific Charter. May his spirit always inspire us; may his example always guide us.

Happily, President Magsaysay is succeeded by President García. He also has been identified with our organization since its beginning, and his dedication to it is known to all.

This past year has demonstrated the vitality of the "self-government" pledge of our Pacific Charter. Through enlightened discussions between the United Kingdom and representatives of the people of Malaya, the independence of the Federation of Malaya has, this last year, been finally and fully concluded. If SEATO were, as alleged by Communists, a tool of Western "colonial politics," this would not have happened. This emergence, from within our treaty area, of a new independent nation should, but obviously does not, stifle the strident Communist charges.

Malaya is the 20th nation to gain its independence since the close of World War II. In each

case that independence was gained peacefully under the auspices of those whom the Communists allege to be "imperialists." During this same period an almost equal number of nations have been reduced to servitude by Communist imperialism. The continuing persecution of patriots in Hungary, the continuing flow of refugees from East Germany, the continued purges in Communist China bear testimony to realities. They demonstrate that, as Communist rule continues, it increases rather than diminishes the people's desire to escape it.

These are facts. Communist propaganda should be appraised in the light of such facts.

This SEATO meeting has attracted unusual attention in Communist quarters. Soviet press and radio coverage for the last few weeks is *seven times* that of the comparable period before last year's meeting. It is alleged that SEATO is aggressive and a threat to the peace.

It is interesting in this connection to recall that Lenin's notes indicated his appreciation of Clausewitz' remark that "The conqueror is always peace-loving; he would just as soon march peacefully." Resistance to that, Clausewitz pointed out, can be interpreted as wanting war and preparing for it.

This is the standard Communist line. Communism is peace-loving in the sense that it would prefer to take us over without a fight. And if we are prepared to resist, that, according to communism, makes us warmongers. The intensification of that charge at this time, in relation to this area, should alert us to the possibility that there may be new aggressive Communist plans for this area, plans which the Communist rulers fear SEATO might block.

It can never be repeated too often that SEATO and other free-world collective-defense groupings are purely for *defensive* purposes, as authorized by the charter of the United Nations. They came into being only in response to Communist aggression. In 1945 we had put all of our hopes primarily in the United Nations. But its security processes were blocked by Soviet veto while the international Communists extended their rule by force or by threat of force.

However, no nation member of the postwar collective-defense organizations has been taken over by international communism. This is a fact, and it is our purpose to keep it so. That should be possible because these associations provide an in-

creased sense of security from external aggression and produce a greater awareness of, and alertness to, the danger of subversion. In consequence, the governments and people of these organizations cope more effectively and resolutely than do others with the problem of Communist subversion and infiltration inside their countries.

That does not mean that we are now automatically immune from danger. The Sino-Soviet bloc is making immense efforts to build up military power of all kinds. Furthermore, as Soviet-bloc industrial power has grown, there are new economic-political offensives which are fraught with danger.

The Communist leaders profess that their economic assistance programs are motivated by purely altruistic purposes. Altruism is, in fact, a concept alien to their creed. An increased volume of trade can, of course, be explained by self-interest. But, beyond this, there is no rational explanation except in terms of the proclaimed purpose of international communism to rule the world. By their own admission the Communist rulers make no distinction between economics and politics. Economic programs are instrumentalities for the execution of their political purposes. The stages are not difficult to distinguish. The first stage is an attempt to influence through these aid programs the foreign policy of the country concerned. The second is to render them dependent upon the Soviet Union for as large a portion as possible of their economic existence. The leverage that this affords makes it very easy in the latter stage for the Communists to exercise to a high degree their techniques of secret infiltration and subtle indoctrination with the ultimate aim of establishing Communist systems in these countries.

The United States, and indeed all of us, long for the day when this kind of thing will come to an end and where the governments of the nations in the world will concern themselves primarily with the welfare of their own people and will not exploit their own people in order to build up the means for world conquest. Then, indeed, there would be the "relaxation of tension" which the Communists profess so much to want. A deep anxiety will be relieved throughout the world, and vast sums now devoted to armament and the buildup of war industries will be released for uplifting the living conditions of all the world.

We need not despair of the coming of such a day. There is an interesting paradox. The more the Soviet rulers develop among their people a capacity to compete in the modern world of science and industry, the more they develop minds and spirits that are critical of the Communist dogma and system. Already the Soviet Government is accepting adaptation to conditions which, a few years ago, would have been rejected as irreconcilable with orthodox communism.

The essential is that, while this process goes on within the Communist orbit, we of the free world should stand firm and united, preserving the peace and yet not trying to buy peace by conceding to Communist imperialism the victories that would enhance its prestige and prolong the reactionary and abhorrent aspects of its life.

We must be resolute in our determination to safeguard our precious heritage of national independence and human dignity. We should avoid any provocation. We should seek every honorable means of helping forward the peaceful evolution to which I refer.

Over the near term, we hope that this evolution will make at least possible some limited political solutions and some safeguarded international agreements to bring the arms race under some control. Over the longer term, such evolution in Communist policy and practice should make it possible to put peace on a stable basis.

In all of this SEATO has an indispensable part to play. It is an expression of the interdependence of our members and of the various parts of the treaty area. Also, SEATO is one of the several groupings by which the free nations are able to gain security. These various groupings are themselves interdependent. Each of us as nations and each of these organizations must play worthily its part in the total world drama now being enacted.

Thus may come the just and durable peace for which humanity yearns.

STATEMENT BY SECRETARY DULLES, FINAL SESSION, MARCH 13

Press release 124 dated March 13

Mr. Chairman, this fourth meeting of the SEATO Council marks another milestone in the common quest for security and progress in Southeast Asia.

Our 3 days of meeting have recorded solid accomplishment rather than dramatic development, but as one who has attended all of the four annual Ministerial Meetings held to date I appraise this meeting as the most useful of them all in the history of our organization to date. It has led to greater unity of thought and purpose with respect to fundamental matters.

Our discussions and the various measures which the Council has adopted reflect the growing awareness of our governments and peoples of the increasing interdependence of the peoples of the free world. We need, all of us, to continue to work together to consolidate our common security. In this way we can best secure a just and stable peace in the world, and there is, I think, no other way.

We have reason to be proud of the achievements of our Southeast Asia Treaty Organization and of the real and growing contribution it is making in this area. The progress we have noted in joint military defense planning and the increasingly effective program of SEATO military exercises are reinforcing the security of the area. The various activities which the civil organization has undertaken are helping member governments to meet Communist subversion. In the economic field our meeting once again has underscored the very extensive amount of bilateral as well as multilateral economic cooperation among the SEATO governments.

We have noted the development of several far-reaching projects through the organization itself. The encouraging start of the SEATO cultural program offers hope for more useful work in this important field.

The United States delegation expresses its warm appreciation to President García, the Foreign Secretary Serrano, and to other members of the Philippine Government, and to the Philippine people for the excellent arrangements for this conference and for the generous hospitality shown the United States delegation.

We particularly appreciate, Mr. Chairman, the ability with which you, sir, have presided over our work. We also desire to thank Secretary General Pote Sarasin and his staff for the splendid manner in which they have carried out their responsibilities in connection with this conference. We are confident that under the guidance of Mr. Sarasin our organization will make further progress during the coming year.

Development of SEATO in Its Third Year

Report by Pote Sarasin

Secretary General of the Southeast Asia Treaty Organization¹

1. FOREWORD

The South-East Asia Collective Defence Treaty, sometimes referred to as the Manila Pact, was signed at Manila on September 8, 1954² by the representatives of Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom and the United States. The Treaty came into force on February 19, 1955, following the deposit of ratifications by the eight member countries. Four days later, the Council of Ministers met in Bangkok³ to create the framework of the South-East Asia Treaty Organization. They have since met at Karachi in March, 1956,⁴ and at Canberra in March, 1957⁵ to review the work of the Organization and to set the pattern of its future development and activities.

This report gives an account of the work and development of SEATO in its third year.⁶ It also describes the efforts of the member countries, collectively and individually, to achieve the objectives of the Treaty, and to make it an increasingly effective instrument of security and peaceful progress in the Treaty Area.

2. INTRODUCTION

The peoples of SEATO member countries have continued to benefit from the stability created by the Treaty, and have carried forward their programmes for economic, social and cultural advancement. The Member Governments have taken steps to counter subversion and to increase their defensive strength and thus have improved the security of the Treaty Area. Recent developments in some parts of the Area have nevertheless shown that there is no cause for complacency in considering either the military or the non-military threat to freedom.

The threat of open aggression—the main danger to the countries of the Treaty Area at the time SEATO was established—has for some time been veiled. This is regarded by the Governments of the SEATO nations as a tactical move on the part of the Communist powers and, aware that the build-up of Communist military strength has not slackened, they are maintaining their vigilance.

Communist subversion inspired and assisted from without continues to be the chief immediate threat to the security of the Treaty Area. By their individual and collective efforts member countries have achieved considerable success in meeting this danger within their own territories, and have at the same time further developed effective means to identify and expose subversion in all its aspects.

Individually and through the agency of SEATO, member countries have kept at a high level their programmes of technical aid, other

¹ Issued in connection with the fourth meeting of the Council of Ministers at Manila, Philippines, Mar. 11–13, 1958. Released on Mar. 4 at Bangkok, Canberra, Karachi, London, Manila, Paris, and Wellington, and at Washington (press release 101 dated Mar. 3).

² BULLETIN of Sept. 20, 1954, p. 393.

³ *Ibid.*, Mar. 7, 1955, p. 371.

⁴ *Ibid.*, Mar. 19, 1956, p. 447.

⁵ *Ibid.*, Apr. 1, 1957, p. 527.

⁶ For texts of first and second annual reports, see *ibid.*, Mar. 12, 1956, p. 403, and Mar. 25, 1957, p. 496.

forms of mutual economic assistance, and cultural exchange. Thus, the bonds of friendship and common interest that unite their peoples have been strengthened by the alliance, and the growing understanding of SEATO in the Treaty Area has encouraged Member Governments to intensify their efforts to fulfil its aims, in the full knowledge that their association is in keeping with the United Nations Charter.

3. THE COMMUNIST THREAT

The political situation in the Treaty Area has been regularly analyzed by the Organization in the context of world events, with particular reference to the activities of international Communism. In the past year there has been a significant tightening of the Communist ranks, following the disruption caused by events in Poland and Hungary.

- The Communist parties of the Soviet bloc in a joint declaration at the Moscow celebration of the 40th anniversary of the Bolshevik Revolution reaffirmed their determination to work for a Communist world revolution.
- The successful launching of the "Sputnik" earth satellites, by demonstrating Soviet scientific and technical achievement, has strengthened Soviet leadership of the Communist bloc.
- Sino-Soviet solidarity was reaffirmed by Chinese Communist acceptance of Soviet leadership at the Moscow celebrations of the anniversary of the Bolshevik Revolution.

Having re-established their grip on the Communist world, the Soviet leaders have adopted a harder foreign policy line, especially in the Middle East and Europe. They have brandished the threat of rocket and nuclear destruction; created new tensions in the Middle East; and undermined all efforts to reach a disarmament agreement. At the same time they hold out the prospect of peaceful co-existence on terms, the acceptance of which would endanger the unity and security of the free world.

It is against this background that international Communism continues to pursue its course of subversion and economic and political penetration in South and South-East Asia.

Asia, as well as the Middle East, has always

been regarded by the Communists as a particularly favourable target for early expansion of their influence. There is no evidence that the present Communist leadership deviates from this view, and much to show that they continue to work towards the eventual domination of free Asia. The current abstention by the Communists from violent and aggressive moves in the Treaty Area, far from implying any modification of these aims, is just another phase in their continuing struggle for domination.

In contrast to the earlier tactics of seeking the immediate overthrow by force of some non-Communist Governments in the Area, the Communist powers are now trying by seemingly legitimate means to create a favourable climate for expansion of their influence. By maintaining an apparently correct attitude in their official dealings, the Communist powers attempt to show themselves as respectable and co-operative members of the international community. They claim to uphold the independence of all nations and to abstain from any interference in their internal affairs. Behind this facade of respectability, the Communist bloc and local Communist parties and movements seek by every means to subvert, to isolate, and to divide the free peoples of South and South-East Asia and thus to weaken their will and capacity to defend themselves individually and collectively.

As a specific means of achieving this end, the Communists increased their efforts to distort and capture the "Afro-Asian movement", and to exploit its appeal. The non-governmental Afro-Asian Solidarity Conference, held in December 1957 and January 1958, was used to mobilize Afro-Asian sentiment in a manner designed to aid the Communist cause. The establishment of the Afro-Asian Peoples' Solidarity Council, and the proposed extension of the network of national "solidarity committees" will enlarge Communist opportunities for subversion.

The Solidarity Conference and Communist-front congresses such as the World Peace Council meeting, the Moscow Youth Festival, and the meetings of the World Federation of Democratic Youth and the World Federation of Trade Unions, were used by the Communists to appeal for "united action" throughout the world in support of Communist propaganda objectives.

Communist parties and Communist fronts in the Treaty Area took the initiative in supporting

openly or by indirect means those elements which oppose collective security. They have tried to advance the aims of international Communism by exploiting differences between non-member and member countries of SEATO, in the hope that their actions may produce disharmony.

An important development in 1957 was the extension of the Communist economic offensive.⁷ In the Treaty Area, Communist offers of capital aid, credit and technical assistance are mainly directed towards countries outside collective security arrangements. An intensification of the economic aid campaign was foreshadowed by Communist statements at the Afro-Asian Solidarity Conference. This calls for special watchfulness, because experience has shown that the external economic policies of the Communist bloc are essentially designed to promote political ends; to create ties which enable international Communism to exert pressure on the receiving countries.

A major part of Communist propaganda and subversive activities has been directed towards youth groups, students, and labour movements on the assumption that such sections of the community are more easily swayed, and therefore susceptible to Communist ideas. The Communists have attempted to set themselves up as the champions in the battle against oppression, social injustice, and want.

Certain minority groups have been a particular target for their subversive activities. Threats, intimidation, economic pressure, and actual violence have been used in an attempt to turn these people into subversive agents, and to prevent them from becoming integrated members of the communities and countries in which they live.

Recently, in Communist bloc broadcasts beamed towards South-East Asia, great emphasis has been placed on the alleged religious freedom permitted in Communist countries. Within these countries, however, continuous pressure is applied to genuine religious organizations to lessen their effectiveness, and religious doctrines are under official attack. The campaign against religion is directed equally against all faiths.

Despite the flexible approach adopted by the Communists towards the various countries of South and South-East Asia, their record of action shows that their ultimate objective has always

been, and still is the overthrow of legitimate governments, and the subjugation of peoples.

4. RECORD OF CO-OPERATION

In this chapter of my report, I describe the work of the Member Governments in the past year to fulfil the objectives of the South-East Asia Collective Defence Treaty.

Meeting the Subversive Threat

Vigorous steps were taken by the member nations to suppress illegal Communist activities.

- In Pakistan, Communist attempts to gain control of the trade union movement were frustrated.
- The attempt by the Communist-dominated students' organization in Pakistan to promote a united front of students has been successfully resisted.
- The Philippine Government outlawed the Communist Party and other similar subversive movements.
- Two top-ranking members of the rebel movement were detained by the Armed Forces of the Philippines.
- The Royal Thai Government took strong action to expose subversive activities, and attempts at Communist penetration.
- Security forces of Thailand have co-operated with Malayan forces in searching the Thai-Malay border area for Communist terrorists. Governments of the two countries are discussing an intensification of the anti-terrorist campaign.

Action To Increase Defensive Strength

The Treaty has continued to be a deterrent to the use of overt military pressure and intimidation as an immediate instrument of Communist policy in the Area.

The military potential of Communist countries in Asia has, however, continued to grow, and, with the support of the Soviet Union constitutes a continuing threat to SEATO and its member nations. They cannot therefore afford to relax their efforts in the military field.

The effectiveness of the Organization depends to a large degree on the ability of the member na-

⁷ For a summary of the Soviet economic offensive in recent months, see *ibid.*, Jan. 27, 1953, p. 144.

tions to maintain their forces at a high level of preparedness, on the ability of those forces to work together smoothly, and on the success of coordinated planning for defence. Steps have been taken by the member nations, working individually and in concert, to fulfil these requirements in the past year.

Emphasis continued to be placed on the building up of highly trained, mobile, and readily available forces. The member nations took part in a number of SEATO combined exercises, and in their national training programmes increased the combat effectiveness of their armed forces.

Extensive bilateral military assistance programmes were carried forward in the Treaty Area in 1957. The United States continued to help Pakistan, the Philippines and Thailand in the modernization of their armed forces by supplying equipment and technical assistance. The United Kingdom supplied ships and naval equipment on loan to New Zealand and Pakistan. Non-combat equipment is being given to Pakistan, the Philippines and Thailand by Australia. This aid is financed from Australia's fund of \$4.48 million for economic aid for SEATO defence.

Military assistance in the form of training was a further important part of the co-operative effort of the member nations' armed forces. Australia, the United Kingdom and the United States provided training for large numbers of military personnel from the other member countries. Under the United States programme, 271 military personnel were under training on June 30, 1957 and the total number who had received training to that date was 25,960.

France gave training facilities to the States covered by the Protocol to the Treaty* and to the Asian member countries and maintained military missions in Cambodia and Laos.

Economic Aid

The economic development of the Asian member countries has been stimulated considerably by their own efforts in self-help, by co-operation in an increasing degree among themselves, and by the assistance of their SEATO partners. Pakistan, the Philippines and Thailand, and the States covered by the Protocol to the Treaty received

*Cambodia, Laos and Vietnam. [Footnote in the original.]

economic aid estimated at \$700 million in 1957. This aid was given mainly on a bilateral basis.

United States economic aid allocated to Pakistan, the Philippines and Thailand, and to the States covered by the Protocol to the Treaty amounted to over \$600 million in the United States financial year, ended June 30, 1957. This figure includes grants and loans under the Mutual Security Programme, loans by the Export-Import Bank, and grants and loans of local currencies acquired under the United States agricultural trade development and assistance programme.

Australia provided these countries with capital aid valued at \$2.3 million, and with considerable technical assistance under the Colombo Plan, in the year ended September 30, 1957. Principal supplies of equipment were for irrigation and water control schemes, roadmaking, broadcasting and telecommunications. Since the inception of the Colombo Plan, Australia has received 460 trainees from the Asian member countries and the States covered by the Protocol, and has supplied them with 70 experts.

French economic aid has been concentrated mainly on the States covered by the Protocol by means of a budgetary allocation of over \$13 million, and by the provision of over 100 economic and technical experts. France has also provided technical and advisory assistance and scholarships to Pakistan, the Philippines and Thailand.

In the period up to October, 1957, New Zealand had allocated about \$5 million in capital assistance under the Colombo Plan to the member countries and the States covered by the Protocol. Nearly 100 persons from these countries received technical training in New Zealand and about 20 New Zealand experts were supplied. Most of the aid given by New Zealand has been in the fields of agriculture, health and education.

The United Kingdom supplied aid exceeding \$8 million to member countries in the Treaty Area, the bulk of it going to Pakistan, in the eleven months ending October 31, 1957. Technical assistance was also given to the States covered by the Protocol, and to the Philippines and Thailand.

Work of Other Agencies

As in previous years, nations in the Treaty Area continued to benefit from the economic and technical assistance of the United Nations and its

specialized agencies, the Colombo Plan, and organizations which are privately funded and controlled.

Development of Cultural and Social Ties

To promote better mutual understanding among their peoples Member Governments have continued to provide educational facilities, and have encouraged goodwill visits, study tours and other forms of cultural exchange.

- Australia reports an increase in the number of students and visitors from other member countries of the Treaty Area and the States covered by the Protocol to the Treaty.
- Forty correspondence courses have been awarded by Australia to students in the Philippines.
- France maintained several schools in the States covered by the Protocol and provided 400 teachers to educational institutions in these countries.
- One thousand scholarships for study in French universities and local institutions were awarded by France to students of the States covered by the Protocol and of Asian member countries.
- Courses were provided in New Zealand for 23 students from Pakistan and Thailand.
- Pakistan has offered scholarships to Philippine and Thai students.
- The Philippines has encouraged travelling art exhibitions and the loan of works of art.
- Visits by artistic groups, technicians and educators to and from the countries of the Treaty Area were arranged by the Philippines.
- Scholarships have been awarded by Philippine universities to students from the other member countries and the States covered by the Protocol to the Treaty.
- Thailand has trained teachers from Laos.
- A Thai cultural goodwill mission visited Laos, and Laotian students have been trained in the art of Thai classical drama.
- The United Kingdom assisted Pakistan and Thailand in the teaching of English and other subjects.
- Sixteen British travel grants were awarded to academic staffs of the universities of member countries in the Treaty Area.

- 180 trainees from the Asian member countries and the States covered by the Protocol began courses in the United Kingdom during the year.
- The United States continued to extend aid in all phases of education to the Asian member countries and the States covered by the Protocol.
- Nearly 200 United States educators were sent to Asian SEATO countries, and well over 200 educators from these countries were given the opportunity to study in the United States and other countries of the Treaty Area.
- Seven SEATO grants for 45-day tours of observation and study were awarded by the United States in 1957, and 25 such grants will be made this year.

In the fields of labour and social welfare, the SEATO countries developed their association with one another. Exchanges were increased in 1957 between labour leaders and officials dealing with social welfare and labour matters in the Asian member countries, and specialists in these subjects from the United States, the United Kingdom and Australia. From the United States, six labour specialists went to Pakistan, the Philippines and Thailand, and ten labour officials from these countries went to the United States. Six Australian medical experts visited the Philippines and Thailand on short advisory missions.

5. ACTIVITIES OF THE ORGANIZATION

Under the guidance of the Council of Ministers, the Organization pursues its objectives in two main directions, military and civil.

Military Activities

The military activities of the Organization are controlled by the Military Advisers. This body consists of one senior military representative of each member country. The Military Advisers held two meetings in 1957, one immediately before the meeting of the SEATO Council in Canberra in March, and the other in Bangkok in September.

The SEATO Military Planning Office was established at SEATO Headquarters on March 1, 1957. The office, which is headed by Brigadier-General Alfredo M. Santos of the Philippines, has

made considerable progress in the development of detailed defensive plans.

Five SEATO combined military exercises were held in 1957.

- *Ridhee*, an air-ground command post exercise, was held in Thailand in January.
- *Astra*, a sea-air exercise, took place in the area of the South China Sea and the Gulf of Thailand in April.
- *Sealink*, held in the Philippines in May, demonstrated the use of naval gunfire in support of landing operations.
- *Airlink*, an exercise on the delivery of close air support to ground forces, was held in Thailand from May 29 to June 2.
- *Phiblink*, a major amphibious operation based on the Philippines, took place in November and December.

Other bilateral and multilateral exercises were carried out by a number of member countries in 1957, and a further series of SEATO training exercises will be held this year to carry on the work of co-ordinating the armed forces of the member nations.

Civil Activities

The activities on the civil side of the Organization are controlled by the Council Representatives when the Council is not in session. The Council Representatives are, in most cases, the heads of diplomatic missions of the member countries resident in Bangkok. They held 19 meetings in 1957, and on a number of occasions had a full exchange of views on the broad situation in the Treaty Area. These discussions are an important part of the work of SEATO and provide the basis of concerted action in line with the Treaty objectives.

Support and co-ordination of the civil work of the Organization is the function of the Secretariat-General, which is composed of an international staff, in which all the member countries are represented, and a locally-recruited staff.

The three civil expert committees, which report to the Council Representatives, all held meetings in 1957. Their role is outlined in the account of the more important events and developments of the year which follows.

Counter-subversion

The SEATO Seminar on Countering Communist Subversion, which was held at Baguio in the Philippines from November 26 to 29, 1957,^{*} had more than 100 participants from the member countries. The publicity given to the seminar has drawn public attention to the intensive and widespread Communist attempts to subvert the peoples of South-East Asia. A record of the speeches delivered at the seminar by experts in all phases of Communist action and philosophy has been published by the Organization.

The Organization has continued to expand its assistance to the Member Governments in meeting the problem of subversion. One of the principal agencies in identifying the Communist threat is the Committee of Security Experts, which held two meetings in 1957.

The other expert committees have also produced studies which have given Member Governments valuable guidance in countering Communist subversion in their own territories. Within the Secretariat-General, the Research Services Office has prepared regular reports for Member Governments on current developments in Communist activities in all parts of the world, but with particular reference to the Treaty Area. The office has also prepared special papers on important events in the Communist world at the request of the expert committees and the Member Governments. The Public Relations Office has assisted in the work of counter-subversion by publishing pamphlets and other material exposing Communist tactics.

Economic Activities

The great bulk of economic assistance to SEATO countries is provided on a bilateral basis between Member Governments, but there are some projects which have been given consideration on a multilateral basis. The most significant of these have arisen from studies of the shortage of skilled labour. The United States has reserved \$2 million for projects that will help to provide a better supply of skilled workers in Pakistan, the Philippines and Thailand. Australia, France and New Zea-

^{*} For text of a final communique issued on Nov. 29 at the close of the seminar, see BULLETIN of Dec. 23, 1957, p. 993.

land have indicated their readiness to help in various aspects of skilled labour training in those countries. The United Kingdom is also considering what assistance it may give in this field.

These offers arose from the discussions and recommendations of the Committee of Economic Experts, which has studied the impact of defence obligations on the economies of the member countries, and has considered their particular needs in the context of the general economic situation of the Treaty Area as a whole. The committee's discussions are an increasingly valuable guide to the Member Governments in considering all aspects of economic assistance.

Cultural and Information Activities

The aim of SEATO's work in the cultural field is to increase mutual confidence, goodwill and understanding among the peoples of the member countries and to create a better appreciation of the values and principles they hold in common.

The first SEATO research fellowships were awarded in January, 1958. Eleven scholars were selected from over 400 applicants to carry out projects which will make a contribution to understanding of the problems of the Treaty Area, or assist the economic and social advancement of its peoples.

The South-East Asian Round Table, which was organized by SEATO, was held in Bangkok from January 27 to February 2 this year. It was the first gathering of its kind to be held in Asia. Fourteen eminent scholars from 12 countries (the eight SEATO nations and India, Japan, Sarawak and Vietnam) attended. They had informative and fruitful discussions on the impact of technological progress on the traditional cultures of South-East Asia.

The activities of the SEATO Public Relations Office are designed to assist the Member Governments in the information field. Twenty-four publications were produced in 1957, with a total number of copies in English, Thai, Urdu and Bengali, of more than one million. Ten radio programmes were supplied to the national radio services of the member countries.

One documentary film, "Operation Albatross", was completed. Two further films, one of which is being made for SEATO by the New Zealand

National Film Unit and the other by the United States Information Agency, are in production.

The Committee on Information, Cultural, Education and Labour Activities at its 1957 meeting surveyed many aspects of co-operation among the Member Governments and made useful recommendations for the improvement and expansion of their efforts. One of the functions of this committee is to provide each member country with the opportunity of communicating to the others its special needs for equipment, trained staff, and other forms of technical assistance in the fields of education, labour, information work and cultural exchange.

Appointment of Secretary-General

On July 1, 1957, the Council Representatives, acting on behalf of the Council, appointed me to the position of Secretary-General. Mr. William Worth of Australia, was appointed as Deputy Secretary-General, on July 22. The Deputy Secretary-General and I assumed our duties on September 1, 1957. Shortly afterwards, I was called to undertake other responsibilities for the Royal Thai Government, and during the period of my absence of four months, Mr. Worth performed the duties of the Secretary-General as well as those of his own position. I resumed the office of Secretary-General on January 17, 1958.

Visitors

A number of distinguished visitors was welcomed to SEATO Headquarters during the year. They included the Prime Minister of Australia, Mr. R. G. Menzies, and the then Prime Minister of Pakistan, Mr. H. S. Suhrawardy. Other Cabinet Ministers of member countries who visited Headquarters were the Australian Minister of External Affairs, Mr. R. G. Casey, the then New Zealand Minister of External Affairs, Mr. T. L. Macdonald, the Australian Minister of Primary Industry, Mr. W. McMahon, and the Pakistan Minister of Finance, Mr. Amjad Ali. Senator Wayne Morse of the United States and the Marquess of Reading, of the United Kingdom were also welcomed.

Prince Wan Waithayakon, Minister of Foreign Affairs of Thailand, and other Thai Cabinet Ministers, paid several visits to Headquarters, and took part in a number of functions.

6. CONCLUSION

While the menace of international Communism exists there can be no relaxation of vigilance on the part of peoples who cherish their independence and individual freedom of thought and action.

These liberties can only be assured by a positive stand, and by co-operation between nations in defence, in countering subversion and in economic, social and cultural measures for the advancement of their peoples.

For this reason, the peoples of the SEATO nations willingly accept the responsibilities of their countries' participation in a collective security organization of free nations, and look forward to further gains in the causes of liberty and material and spiritual progress under the protective shield of SEATO.

United States Seeks Resumption of Disarmament Talks

Press release 129 dated March 15

U.S. STATEMENT

The United States seeks early resumption of disarmament talks. To this end, the United States suggested privately to the Soviet representative at the United Nations early this month certain procedures designed to lead to an early resumption of disarmament talks and at the same time maintain the continuing responsibility of the United Nations.

Yesterday's [March 14] statement by the U.S.S.R. Foreign Ministry distorts the U.S. position and casts doubt that the Soviet Union wants serious discussions on the disarmament question or that it is really seeking a relaxation of tension. Our doubts were confirmed by the fact that the U.S.S.R. made public its statement before Ambassador Arkady Sobolev, Soviet representative to the United Nations, conveyed his Government's position officially to Ambassadors Lodge and Wadsworth yesterday.

Specifically, the United States proposed to the U.S.S.R., after consultation with a number of other U.N. members, that a meeting of the enlarged Disarmament Commission be held pursuant to the resolution adopted overwhelmingly by the

General Assembly last year.¹ Despite the fact that the Soviets have indicated an intention to boycott such a meeting, we believe the Disarmament Commission should meet in light of the action of the General Assembly.

The United States also informed the U.S.S.R. that, if it was found that owing to Soviet non-participation the Disarmament Commission could not usefully pursue serious discussions, the Security Council should hold a purely procedural meeting in order to provide a proper link between the United Nations and any subsequent disarmament discussions.

Under the charter the Security Council has an important responsibility to bring about the regulation of armaments. The purpose of Council consideration would be to give this body the opportunity to take procedural action designed to lead to an early resumption of disarmament discussions through other channels. Rather than creating obstacles in the way of future disarmament discussions, this procedure would ease the way to and enhance the possibility of meaningful talks.

The U.S.S.R.'s reiteration of its unwillingness to participate in the Disarmament Commission constitutes a continued flouting of the resolution adopted overwhelmingly by the General Assembly. In opposing Security Council consideration of disarmament, even on a procedural basis, the U.S.S.R. seems to be implying that it no longer recognizes the responsibility of the Council to deal with disarmament. The United States is not prepared to disregard the United Nations in its efforts to resume disarmament talks.

The U.S.S.R. purports to favor a heads-of-government meeting to consider urgent international problems, including disarmament. We are prepared to participate in a high-level meeting, provided prior preparations indicate that it would result in reaching agreements. The United States seeks meaningful agreements which will, in fact, resolve issues, reduce tensions, and respond to the hopes of mankind. The recent Soviet statement in the field of disarmament is hardly calculated to achieve these ends. Nevertheless, the United States will continue to take every feasible step to bring about a resumption of serious disarmament negotiations.

¹ For U.S. statements and texts of U.N. resolutions, see BULLETIN of Dec. 16, 1957, p. 961.

First Anniversary of Ghana's Independence

White House press release dated March 8

The White House on March 8 made public the following exchange of letters between the President and Prime Minister Kwame Nkrumah of Ghana.

PRESIDENT EISENHOWER'S LETTER

MARCH 6, 1958

DEAR PRIME MINISTER: On behalf of the people and Government of the United States of America, I extend to your Excellency and the people of Ghana sincere congratulations on the occasion of the First Anniversary of the independence of your nation.

Since your country joined the Community of Nations, it has gained recognition for its efforts to meet successfully the challenges inherent in launching a new nation. These efforts come as no surprise to us for, after attending your independence celebrations last March, the Vice President came away with a clear impression of the courage and determination with which your new nation faces its future.

It is gratifying to note the developing ties between Ghana and the United States, many of which reach back into the history of our two countries. We look forward to strengthening these ties and creating new ones. We are proud of the fact that hundreds of your young people, including yourself, have chosen to come to America to study in our schools, to establish friendships, and to return home with useful knowledge and experience.

As I have not yet had the pleasure of meeting you, I would be honored if you could pay an official visit to the United States in the latter part of July of this year. We would wish to have you spend a few days here in Washington, and you may desire to spend a few days elsewhere in the United States. If you can accept this invitation, the details can be readily arranged through Ambassador Flake.

I am sure that the coming year will see Ghana moving steadily ahead in the resolution of its problems and in the solidification of its position as a fully independent member of the Commonwealth and of the family of nations.

Accept, Prime Minister, our earnest good wishes and congratulations upon this auspicious occasion.
Sincerely,

DWIGHT D. EISENHOWER

PRIME MINISTER NKUMAH'S REPLY

MARCH 7, 1958

DEAR MR. PRESIDENT: Your message reached me on the first anniversary of Ghana's independence. It has made a deep impression not only on me, but also on all my colleagues in the government, and it will be accepted by the people of my country as an expression of the very great interest which Your Excellency, your government and the people of the United States of America have always taken in the affairs and aspirations of the people of Ghana. We are proud of the friendship and confidence which exists between your great country and mine.

I am greatly honoured by your invitation to pay an official visit to your country in July, which I gladly accept. It will be a particular honour to be able to meet you and it will also be a real pleasure for me to visit once again the United States to which country I am indebted for a greater part of my university education.

I am confident that my visit and the continued interest which Your Excellency takes in my country will further strengthen the bonds between our countries. We in Ghana realize the magnitude of the task that lies ahead of us when we enter the second year of our independence. We are determined to make a success of it realizing that we have no small part to play in the future history of Africa.

Accept, Mr. President, my thanks once again and the assurances of my highest esteem and considerations.

Yours sincerely,

KWAME NKUMAH

Letters of Credence

Honduras

The newly appointed Ambassador of Honduras, Céleo Dávila, presented his credentials to President Eisenhower on March 10. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 119.

United States Relations With Latin America

*Statement by Roy R. Rubottom, Jr.
Assistant Secretary for Inter-American Affairs¹*

Mr. Chairman, I deeply appreciate the opportunity provided me to appear before this committee to report on our relations with Latin America. From discussion with several members, including those on the Subcommittee for Latin America before whom I appeared on my own initiative about 7 weeks ago, I know the deep and sympathetic interest you have in this area. This is also evidenced by the trips to obtain information at first hand which certain members have made. The observations and recommendations resulting from these study missions have been very helpful to the Department and to me personally. I should mention especially the most recent reports of Senator Mansfield on Mexico and Senator Aiken on the Caribbean area, as well as the report of Senators Mansfield and Hickenlooper on "Technical Cooperation in the Andes Countries of South America." Other Senators and several Congressmen have also kept in close touch with Latin America by visits to the area, and we have likewise benefited by their ideas and recommendations.

The United States places the highest priority on maintaining and further extending its excellent relations with Latin America. I believe you know this, but it bears repeating.

We seek to achieve this high goal by (1) developing ever closer bilateral relations with each of the 20 Republics to the south of us and (2), in collaboration with them, perfecting to an even greater degree the deservedly renowned and immensely useful Organization of American States, of which we are proud to be a member.

¹ Made before the Senate Committee on Foreign Relations on Mar. 5 (press release 106).

Progress of OAS

The OAS has made significant progress in the past year. Growing out of President Eisenhower's initiative at the precedent-breaking meeting of the Presidents in Panama in July 1956, the Committee of Presidential Representatives held a series of meetings which culminated in a number of important recommendations.² Outstanding among the recommendations are those relating to education, nuclear energy, health, and agriculture. The Committee proposed and the Council of the OAS has already approved a plan to grant a substantial number of fellowships each year to enable students from any one of the American Republics to pursue specialized studies and research in one of the other American countries. It is expected that, when fully under way, this program will benefit 500 students yearly.

The CPR recommended the creation of an Inter-American Nuclear Energy Commission to serve as a center for consultation in matters related to the peaceful uses of nuclear energy. It is to be the purpose of this Commission, among other things, to assist the American Republics in developing a coordinated plan of research and training in the peaceful uses of nuclear energy.³

In the field of health, the CPR, after consulting the Director of the Pan American Sanitary Bureau, urged the Chief Executives of the American states to support the program for the complete

² BULLETIN of June 24, 1957, p. 1014.

³ For a statement by John C. Dreier, U.S. Representative on the OAS Council, together with the text of a resolution on the organization of the Inter-American Nuclear Energy Commission approved by the Council on Nov. 21, 1957, see *ibid.*, Dec. 16, 1957, p. 976.

eradication of malaria from the Americas. If this program can be fully implemented, it is estimated that malaria can be totally eliminated in about 5 years, with untold benefits not only to the health but to the economy of America as well.⁴

I should also mention the cooperation of the American Republics to seek mutually acceptable solutions to common economic problems as was demonstrated by the Economic Conference of the Organization of American States which met in Buenos Aires last August.⁵ At that conference the Ministers of Finance or Economy of the American Republics defined more sharply the problems, discussed possible solutions, and made assignments for further studies designed to develop formulas and policies to permit the expansion of Latin American economic development. Practically all of those assignments were made to the Inter-American Economic and Social Council, which sits continuously in Washington and which is becoming an increasingly important instrument for inter-American economic cooperation.

Perhaps it would be useful for me to mention, for the purpose of clarification, the suggestion advanced recently by the United States for the exchange of information between the OAS and other regional groups of states in the non-Communist world.⁶ This idea grew out of the accepted experience and leadership of the OAS, which President Eisenhower has called "the most successfully sustained adventure in international community living that the world has seen."

The proposal was limited to the exchange of information; it obviously would be tailored to fit the desires of our Latin American partners; it would provide an easy way for the OAS to make its achievements known more widely without, of course, implying any formal or institutional link between this oldest regional group and other more recently established organizations.

Turning to our bilateral relations with the various Latin American Republics, I can say that they are genuinely friendly and mutually productive. However, both the United States and Latin America are faced with economic problems, and I am grateful that we can face them with a reservoir of good will and tested experience.

These problems, and the joint solutions we hope to find, notwithstanding their critical nature, especially for countries that depend largely on one, two, or three commodities for foreign exchange to enable them to buy their necessary imports, may turn out to be a vehicle for further cementing United States relations with Latin America.

Now what are these problems? Mr. Chairman, I wish it were possible to take enough of your busy time to make a country-by-country rundown of the economic situation in Latin America. But perhaps that is not necessary. I returned early yesterday morning from a 5-day trip to the capitals of Venezuela and Colombia, where I obtained firsthand information from our embassies, from the highest Government officials in each country, from both American and national businessmen, and from others. I firmly believe in this type of personal diplomacy and try to get away from my office whenever possible.

Venezuela and Colombia

Let us take a look at Venezuela and Colombia. Together they have a population of nearly 20 million people. Their sea frontiers are on both entrances of the Panama Canal, which is vital to the security of the entire Western Hemisphere. They have both been traditionally among the leading United States customers in Latin America, spending virtually every dollar they earn in the United States. Historically, we have had excellent relations with the peoples and the Governments of Venezuela and Colombia. Both of them have the disadvantage of being basically one-commodity countries, Venezuela producing primarily petroleum and Colombia primarily coffee; each is making a great effort to diversify its economy, but this will take some time. Both countries have a magnificent cultural tradition with increasingly close ties with the United States.

In the last few years there have been some significant and encouraging developments in Latin American political affairs. The trends are toward constitutionality and political democracy, all of them taking form without intervention or prodding from the outside. Since the overthrow of Peron by the Argentine people in 1955, we have also seen determined efforts made to restore democratic, constitutional government in Colombia and in Venezuela. In Haiti last year the people refused to settle for anything less than a gov-

⁴ *Ibid.*, Dec. 23, 1957, p. 1000.

⁵ *Ibid.*, Sept. 30, 1957, p. 539.

⁶ *Ibid.*, Jan. 6, 1958, p. 10.

ernment selected through their own sovereign vote, and early this year Costa Rica elected a president whose platform was in opposition to the administration which held the elections. Guatemala, by national elections in January, successfully emerged from a severe crisis which resulted from the assassination of its late beloved President Castillo Armas. Honduras has also given an admirable example by restoring a representative constitutional form of government.

I believe that the Department's own views regarding these changes can best be indicated by quoting from a recent letter sent by Assistant Secretary Macomber in response to a query by Congressman Charles O. Porter of Oregon. Mr. Macomber closed his letter as follows:

While we are not in a position to intervene in the internal developments of the countries of Latin America, we are in a position to feel—and we do feel—satisfaction and pleasure when the people of any country determinedly choose the road of democracy and freedom.

The Venezuelan situation is still unfolding although much has been accomplished in the 6 weeks since the provisional government assumed power. Representatives of all sectors with whom I spoke in Caracas last Thursday and Friday seemed determined to bring about the establishment of a democratic regime based on law.

Now I would like to examine briefly the economic problems of Venezuela and Colombia. Venezuela is certainly one of the most prosperous countries in Latin America, and yet there are large segments of its population which fall short of the health, education, housing, and other living standards to which its people aspire. Venezuela is primarily dependent on the export of oil, which is now in surplus on the world market. United States private investors have poured approximately \$3 billion into Venezuela, two-thirds of it in the oil industry, and a number of the investors are relative newcomers. Venezuela cooperated wholeheartedly during the Suez crisis, lifting its production from an average of approximately 2.5 million barrels per day of oil to 2.9 million barrels per day. Production today is at approximately 2.5 million barrels per day, a total reduction of roughly 14 percent from the level of the Suez period.

Our Venezuelan friends asked frank questions about United States oil import restrictions, and I tried to give them frank answers. I started by explaining carefully the situation in the United

States, where the oil industry is faced by the same worldwide problem that confronts Venezuela. To take the example of Texas, our greatest oil-producing State—Texas raised its production allowable to 19 days per month during the height of the Suez crisis. You will all recall the criticism heaped upon it for not doing more although, as the facts have since borne out, the State did all that the circumstances called for. Texas' allowable today is 9 days per month, and, taking into consideration certain types of wells which are not restricted, this represents a reduction of 18 percent from its peak Suez level.

I should not omit reference to Canada, which is our principal trading partner and which has also been affected by the slack oil market. Canadian officials have likewise been quite articulate in expressing themselves on this matter.⁷

From the very beginning of this situation in oil, the United States Government has endeavored, and I believe succeeded, in keeping the interests of Venezuela and Canada in mind. We recognize the mutuality of our interests, from a political, economic, and security standpoint. We thoroughly recognize that the well-being of the United States depends on the well-being of its neighbors and friends. We recognize that every dollar which Venezuela earns by selling oil, or any other product, to the United States is spent in the United States and thus helps United States business and industry.

What do we do under these circumstances? Last July the President placed into effect a program of voluntary restrictions of oil imports. This program has largely succeeded in achieving its objectives of

(1) reducing crude oil imports to their pre-Suez relationship to domestic production, and

(2) restoring roughly the pre-Suez relationship of foreign supply sources within the United States crude-oil imports market.

According to the facts available to me of Venezuela's cutback in oil production of approximately 400,000 barrels per day, only approximately one-third can be attributed to the voluntary program just mentioned, or approximately 4 percent of her total production. Given our hope that this is a temporary situation which soon will be ameliorated, I earnestly believe that it is in

⁷ *Ibid.*, Mar. 24, 1958, p. 465.

Venezuela's interest to continue cooperating in this program as she has done so far.

The Problem of Coffee

To turn to Colombia—the principal problem there is coffee. Colombia normally exports from 5 to 6 million bags of coffee per year, most of which comes to the United States. A one cent per pound decline in the price paid for Colombian coffee means about \$8 million to Colombia. Coffee represents three-fourths of its total exports. Without in any way attempting to speak for inordinately high coffee prices, a phenomenon which has occasionally happened in the past, I wish to point out that Colombia is dependent on a reasonably stable income from coffee and it faces serious political, social, and economic problems whenever there is a sharp decline in price. I had long discussions with two of the members of the provisional military government junta, with three ministers in the cabinet, and with important political leaders of various political sectors, and I can state that they were unanimous in expressing great concern over the present unstable situation respecting coffee.

And Colombia is, of course, only one of the 15 Latin American countries which produce coffee; there are 5 others which are dependent on coffee for the greatest part of their foreign-exchange earnings. Thus you can see the hemispherewide applicability of my remarks on this vital product.

What can we do about this problem? Well, for one thing, we can lay the matter before the people of the United States as I am doing today. At the meeting of the National Coffee Association in Boca Raton, Florida, on January 13, I declared: *

To one charged with any responsibility for the conduct of U.S. relations with Latin America, the subject of coffee has overriding importance. This product is literally the lifeblood of millions of our friends in Latin America. Whether he be grower or banker, picker or packer, handler or shipper—or the alert government official who knows that his office's budget depends on coffee—his life is inextricably wound up with the fate of that amazing little bean.

Knowing the stake that Latin America has in coffee, as do you and your fellow Americans in this country—the consumers—we cannot be oblivious to the fate of that product. It is to our common interest then, that of Latin America and the United States, to find rational solutions to coffee problems.

* *Ibid.*, Feb. 10, 1958, p. 212.

At that meeting I conferred lengthily with the board of directors of the association, and the exchange of views was, I believe, mutually worthwhile. Later the association decided to send a representative to the International Coffee Meeting held in Rio de Janeiro, which began January 20. The United States Government also sent an official observer. A great deal was learned there, and we are continuing to keep in close touch with all of the coffee-producing countries.

The above examples of economic problems in Latin America are only two of many. I could mention the problem which has resulted for Chile by the 50-percent decline in the price of copper during the past 2 years. This has been a cruel blow because it came on the heels of outstanding effort by the Chilean Government and people to stabilize their economy following many years of serious inflation. I trust that they take some satisfaction in knowing that the steps they took under the stabilization program have lessened the impact of the drop in copper prices. We have cooperated closely with the Chilean Government in its stabilization effort and will continue to do so. Mexico, Peru, and Bolivia have been adversely affected by the sharp drop in prices of lead and zinc, as well as copper. I visited Mexico last August with Dr. Milton Eisenhower and stopped only briefly in Peru in the same month, but in both places saw at first hand the effect of these commodity problems on their economies.

Sources of Financial Assistance

While we are striving with our Latin American friends to find solutions to these commodity problems, where can Latin America turn for financial assistance? What are we going to do about it?

Through the Export-Import Bank we lend public funds where private capital is not available. A total of more than \$3 billion has been authorized for Latin America, and in the last decade 40 percent of Eximbank loans has gone to Latin America. The United States Treasury, alone and in cooperation with the International Monetary Fund, has entered into standby agreements to assist Latin American countries to stabilize their currencies.

In the field of private capital investment, about 40 percent of United States direct private investment abroad is located in Latin America. This now totals about \$8 billion and is growing at the

rate of about one-half billion dollars per year. Additionally, our tourists alone spend more than \$350 million in the area each year. We buy, according to figures for 1956, about 30 percent of our imports from Latin America, which receives 25 percent of our exports. The 1956 two-way trade total of \$7½ billion was greater than our trade with any other area of the world, excepting Western Europe.

Another, newer source of capital is now provided through the sale, for local currency, of our surplus agricultural products. Since the program was begun, \$341 million in such sales have been made to Latin America. A very important feature of these loans, as you are aware, is that which provides for the loaning back to the purchasing country of the major part of the proceeds for economic development.

Finally, the new Development Loan Fund is open to Latin America, and a number of proposals are now under study.

Soviet Economic Offensive in Latin America

There is evidence that the Soviet Union is intensifying its economic and political offensive in many parts of the world, including Latin America. The Soviet Union in its propaganda professes to be sincerely interested in trade expansion. Yet, in actual fact, Soviet-bloc trade with Latin America has been declining in recent years, primarily because of the failure of the Soviets to deliver acceptable, competitively priced goods as a counterpart to those products received by them from Latin America.

While there have been numerous reports of Soviet-bloc "offers" of trade, capital, and technical assistance, it remains to be seen whether they will meet with general acceptance or whether they will actually materialize as serious propositions. This is said because of the vague and illusive character of the offers, as well as because of Latin American governmental prudence, based on past experience with Soviet promises.

Nevertheless, I do not wish to minimize the gravity of the challenge for the United States posed by the Soviet-bloc efforts in Latin America, nor its capacity to choose selected targets for an economic offensive. This will require sustained vigilance and care on the part of the countries approached, and I feel they will not be found lacking.

For our part, we must see to it that our genuinely effective cooperation will be available to them when needed, in our mutual and long-range best interest. As Secretary Dulles said on this subject recently: "Of course, as their need grows, our desire to meet that need will correspondingly grow."⁹

You have noted that economic problems have taken up most of this report. They are uppermost in the minds of Latin Americans today, and they represent a challenge that all of us, the legislative and the executive branches, as well as our neighbors to the South, must resolutely face so that effective solutions may be found. For example, all of Latin America is watching closely the discussions in the United States on the Trade Agreements Act, the extension of which will provide both psychological and real evidence of our desire to help our friends.

President of Panama Proclaims Point Four Week

Press release 117 dated March 7

President Ernesto de la Guardia, Jr., of Panama on March 6 proclaimed the week of March 9-15 "Point Four Week," in tribute to the U.S. program of technical cooperation with Panama, and requested public recognition by the people of the country of the accomplishments of United States and Panamanian technicians in the program.

In his proclamation President de la Guardia said that the point four program, begun in 1942, "has established ties of common interest uniting this nation with the United States, creating new values and preparing our people to assume the leadership and strive for a more prosperous future."

"Panama," said President de la Guardia, "desirous of promoting a better life for its people through economic and scientific development, requested and received the help of experienced technicians from Point Four, and, at the same time, contributed to funds for the fulfillment of such a program. Panama also provided the necessary facilities to make this work beneficial for our country. It is also with great pleasure that I acknowledge the efforts and advice of men and women of the Point Four Mission to strengthen our national program in agriculture, education,

⁹ *Ibid.*, Jan. 27, 1958, p. 136.

public health, economic development, civil aviation, public administration and general welfare and the training of Panamanian technicians in these respective fields."

Joint projects under the point four program in Panama have included agricultural extension and information and crop and livestock improvement; environmental sanitation and hospital administration; vocational training and rural education and economic studies. In recent years the number of U.S. technicians in the mission has been about 50. Some 130-150 Panamanian technicians come to the United States each year to study and observe in their respective fields of specialization.

Under a university contract sponsored by the International Cooperation Administration, the University of Tennessee is assisting the Government of Panama in a public-administration training project.

The total U.S. contribution for technical cooperation with Panama since 1942 is just over \$9 million. The Panamanian contribution to the joint projects has exceeded this.

Hungarian Patriotic Holiday

Press release 128 dated March 14

March 15 has traditionally been celebrated in Hungary as a patriotic holiday commemorating the Hungarian struggle against foreign domination in 1848-49. For the Hungarian people this date has come to symbolize the ideals of freedom and national independence to which they have steadfastly adhered and which they ever seek to achieve. October 23, the autumn day in 1956 when the Hungarian revolution began, now takes its place beside March 15 in testimony of the Hungarian people's unyielding determination to be free.

Americans have been keenly interested in the Hungarian effort to achieve national independence ever since the Hungarian patriot, Louis Kosuth, was welcomed to the United States more than a century ago. This interest has continued through the years and has been heightened by the developments which took place in Hungary in 1956. In the United States, as elsewhere in the

free world, the desire of the Hungarian people to live in freedom under a government of their own choosing is recognized as a matter of simple justice.

Until the Hungarian people achieve their full destiny, the case of Hungary will remain of direct concern to every person and every nation devoted to the cause of liberty.

Foreign Travel Reaches New High in 1957

Expenditures by U.S. residents for foreign travel in 1957 exceeded \$1.9 billion, according to preliminary estimates released on March 11 by the Office of Business Economics, U.S. Department of Commerce. Included in the total travel expenditures are \$1,360 million spent abroad and \$580 million in fares for transportation between the United States and the foreign countries visited. Expenditures abroad were about 61½ percent higher than in 1956; fare payments increased by about 10 percent.

Foreign countries received over \$1.6 billion from U.S. travelers, including \$250 million in international fares. U.S. shipping companies and airlines received \$330 million in fares. Receipts by European countries from U.S. travelers in 1957 increased 3½ percent from the previous year. The number of travelers in the summer and early fall was 10 percent higher than in the corresponding months of 1956. This rise more than offset the drop in travel to the area in the first half of 1957 following the Suez crisis.

Expenditures by U.S. travelers in Canada increased in 1957 by nearly 8 percent over 1956 to \$340 million.

U.S. residents spent about \$390 million, nearly 7 percent more than in 1956, in Latin American countries. Mexico received the largest amount, nearly \$290 million. This represented a rise of 4 percent over 1956 expenditures. The decline in expenditures by U.S. travelers to the interior of Mexico, reflecting a reduced number of travelers, was offset by increased spending in towns along the Mexican border.

Current indications point toward a further rise in foreign travel in 1958.

Progress In Promoting Peace and Stability in the Middle East

SECOND REPORT TO CONGRESS ON ACTIVITIES UNDER THE JOINT RESOLUTION TO PROMOTE PEACE AND STABILITY IN THE MIDDLE EAST¹

PRESIDENT'S MESSAGE OF TRANSMITTAL

To the Congress of the United States:

I am transmitting herewith the second report to the Congress covering activities through December 31, 1957, in furtherance of the purposes of the joint resolution to promote peace and stability in the Middle East.² This report supplements the first one forwarded to the Congress on July 31, 1957, concerning activities through June 30, 1957.³

The resolution continues to be an important element in United States foreign policy relating to the Middle East. Communist opposition to it is clearly revealed by the fact that over the past 6 months Communist propaganda and its adherents in the Middle East have intensified their efforts to distort the purposes of the resolution and to depreciate the contribution it has made to the creation of more stable conditions in this important part of the world. I am convinced that we must continue to devote major attention in our Middle East policy to assisting the states of the area, on a cooperative basis, in maintaining their independence and integrity. The resolution forcefully embodies the purpose of promoting these means of achieving international peace and stability in the Middle East.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, March 5, 1958.

TEXT OF REPORT

Progress in Furtherance of the Resolution, July 1 to December 31, 1957

The policy embodied in Joint Resolution 117 to promote peace and stability in the Middle East,

approved by the President on March 9, 1957, continues to be a cornerstone of United States foreign policy in this vital area.

The resolution proclaims the intention of the United States to assist nations in the general area of the Middle East to maintain their independence. Its continuing, central purpose is to leave no possibility of miscalculation in the minds of potential Communist or Communist-controlled aggressors as to the results of aggressive action on their part.

In the 15 countries of the Middle East which Ambassador Richards and his delegation visited in March and April of 1957,⁴ and where the Ambassador expounded the principles and motives of the policy and answered many probing questions, a broader understanding of, and a greater confidence in, the aims and purposes of the United States has been achieved. The commitments for assistance made by Ambassador Richards reinforced the internal strength of the nations which welcomed our assistance.

The determination of the United States, explicit in the resolution, that it is prepared to use armed forces, if requested, to render assistance in the event of armed Communist aggression in the Middle East, has been particularly heartening to the nations which have joined together in the

¹ H. Doc. 349, 85th Cong., 2d sess.; transmitted on Mar. 5, 1958.

² For text of resolution, see BULLETIN of Mar. 25, 1957, p. 481.

³ For text of first report, see *ibid.*, Aug. 26, 1957, p. 339.

⁴ For texts of joint communiques or statements issued following Ambassador Richards' visits, together with other background information, see *ibid.*, May 6, 1957, p. 724; May 13, 1957, p. 763; May 27, 1957, p. 841; and June 17, 1957, p. 968.

Baghdad Pact. It has unquestionably contributed to the steadfastness with which they, and other states of the Near East, resisted the campaign of intimidation and disruption conducted by the Soviet Union and its agents.

The full force of the Communist propaganda apparatus has been brought to bear throughout the Middle East in an attempt to portray the resolution as an effort by the United States to extend its domination over the area, to split the Arab world, and to reinstate a form of colonialism. Misunderstandings concerning the specific purposes of the resolution, and of United States policy in general, have been created affecting the attitudes of even non-Communist elements. The recent Afro-Asian Conference in Cairo, where the Communists played such a major role, asserted, in a resolution on "Imperialism," that—

both the Baghdad Pact and the Eisenhower doctrine interfere with the independence of the Arab countries, infringe on their sovereignty, and endanger their security.

This propaganda assault has been coupled with a more tangible campaign on the part of the Soviet Union and its satellites to penetrate and expand their influence in the area through economic and military assistance.⁵ By seeking to create the impression, through initially generous offers, that Soviet aid is free from all conditions and political "strings," the Soviet bloc has attempted to discredit the constructive efforts of the United States and other free nations and to pose as the disinterested partisan of the legitimate economic and political aspirations of the countries of the Middle East.

The task of those in the Middle East who courageously strive to preserve their freedom, independence, and security in the face of these Soviet activities is not an easy one. The political, social, and economic needs and problems of the area are manifold and complex. The new nations of the Middle East are sensitive to the echoes of past colonial relationships. By the exercise of diplomatic skill, by patient and persistent efforts to reach understanding on the common objective, and by imaginative and vigorous action through our assistance programs, we can hope, with the continuing support of the Congress, to achieve the resolution's goal of promoting peace and stability in the Middle East.

⁵ For a summary of the recent Soviet economic offensive, see *ibid.*, Jan. 27, 1958, p. 144.

Economic and Military Assistance Extended in Furtherance of the Resolution

The joint resolution authorized the President to cooperate in programs of economic and military assistance with any nation or group of nations in the general area of the Middle East desiring such aid to develop the strength necessary to preserve their integrity and national independence. Section 3 of the resolution contained special authorization to utilize not to exceed \$200 million from funds previously appropriated to carry out the provisions of the Mutual Security Act of 1954, as amended, in furtherance of the purposes of the resolution.

Section 3 of the resolution was particularly useful to Ambassador Richards in initiating action in behalf of those countries desiring assistance, and enabled effective use to be made of appropriated funds. During the 6 months ending December 31, 1957, the regular authorities of the Mutual Security Act, and funds appropriated pursuant thereto, were used to implement further the general purposes of sections 1 and 2 of the resolution.

1. Economic Assistance

A total of \$123 million of funds available under the Mutual Security Act for the fiscal year of 1957 was committed for nonmilitary-aid programs in implementation of the joint resolution. Of this amount, \$67.9 million was committed by Ambassador Richards, \$23.4 million being obligated under the special authority of section 3, and \$44.5 million⁶ under the regular authority of the Mutual Security Act. In addition, economic assistance in the amount of \$55.1 million was obligated by ICA for Middle East programs not arranged by Ambassador Richards but which required the authority of section 3. If this special authority had not been available, most of these Middle East programs could not have been initiated. The details of these various commitments have previously been reported to the appropriate committees of the Congress.

⁶ \$20 million of this amount, which could not be obligated prior to the end of fiscal 1957 because of unforeseen legal and technical difficulties, was reappropriated under the fiscal year 1958 mutual security program and is currently in process of obligation following successful negotiations with the country concerned. [Footnote in original.]

During the 6 months ending December 31, 1957, prompt and positive action was taken to carry out all commitments for economic assistance made under the resolution. Materials have already been delivered or are in process of delivery; and new projects have been undertaken or existing ones advanced.

2. Military Assistance

Although there was a marked intensification of the Soviet Communist effort, during the second half of 1957, to penetrate and subvert states of the Middle East, it was not necessary to invoke the final provision of section 2 of the resolution. This enables the United States, upon determination by the President of the necessity thereof, to render armed assistance to any nation requesting it in the defense of its independence and integrity against aggression from any country controlled by international communism. The existence of this provision undoubtedly constituted a strong deterrent to overt Communist aggression.

In addition to the broad psychological reassurance imparted by the resolution, the expeditious and tangible fulfillment of the special military assistance commitments, totaling \$51.1 million, made by Ambassador Richards contributed not only to the material ability, but to the determination of the nations of the Middle East to resist both internal subversion and external aggression. During the period of July 1 to December 31, 1957, virtually all of the items of equipment represented by these commitments, with the exception of some long lead-time items and certain material being provided under offshore procurement, were delivered, and have already been integrated into the armed forces of the recipient countries. The authority of section 2 of the resolution made rapid military aid of this kind feasible, while the underlying sense of purpose and urgency conveyed by the promulgation of the resolution as a whole lent renewed impetus to the current fiscal year 1958 military assistance program. Indeed, in certain urgent cases it resulted in a considerable acceleration of this program.

The decisive role played by the joint resolution

in strengthening the nations of the Middle East, through the provision of special and selective military assistance, to resist the insidious and ever-present threat of international communism was of crucial importance during the past year.

Action Pursuant to Section 4 of the Resolution

Section 4 of the resolution enjoins the President to continue to furnish facilities and military assistance to the United Nations Emergency Force in the Middle East with a view to maintaining the peace in that region.⁷ This assistance has been rendered.

The value of the supplies and equipment made available to the force by the United States on a reimbursable basis through 1957 has totaled approximately \$4.5 million. These were financed with funds appropriated to the Department of Defense.

Early in 1957 the United States contributed, as its share of the UNEF assessment of \$10 million, some \$3.3 million. This was provided out of funds appropriated to the Department of State for contributions to international organizations. The United States has also indicated its willingness to contribute on a matching basis one-half of the \$6.5 million of the UNEF's 1957 costs for which the General Assembly had requested contributions, using funds under section 401 (b) of the Mutual Security Act of 1954, as amended. Of this sum, the United States has paid \$920,850 to match contributions received from other members of the United Nations. In response to an urgent request from the Secretary General of the United Nations for special assistance to meet the deficit incurred for UNEF's 1957 costs, the United States has made a special contribution of \$12 million, using \$2.25 million of funds under section 401 (b) of the Mutual Security Act of 1954, as amended, and \$9.75 million of funds under section 400 (a) of the same act.

⁷ For texts of U.S. statements in the 11th and 12th sessions of the U.N. General Assembly concerning the administrative and financial arrangements for UNEF, see BULLETIN of Jan. 14, 1957, p. 67, and Dec. 16, 1957, p. 974.

Economic Aspects of the Mutual Security Program

Statement by James H. Smith, Jr.

*Director, International Cooperation Administration*¹

I am pleased to have this opportunity to discuss the economic aspects of the mutual security program.

I took on the assignment of Director of the International Cooperation Administration with the conviction of the essentiality of the program in achieving peace and security. I agree with many others that the task with which the International Cooperation Administration is charged is perhaps the most challenging and, at the same time, most rewarding that has ever been undertaken.

This task is to develop a mutually supported deterrent to the spread of international communism and to work with the newly developing nations to effect a measure of economic growth to support their political independence. Our objective, however, cannot be achieved by money alone. It requires the skill and thoughtful understanding of many people. Our concern with material progress must be balanced by our recognition that the individuality and dignity of man is of utmost importance.

In addition to hunger and the need for supply of material things, there is an unending thirst among all men for useful knowledge. In the United States there is a great store of knowledge, and we must help make it available to the newly developing countries until such time as they have their own institutions equipped to meet their needs. Unless we continue our efforts to meet both the economic problems and the need for knowledge—essential steps toward a positive peace—we will see a world “progressing” from military budgets

of millions to billions to an accumulation of trillions, just as it has “progressed” from bombs measured in pounds to tons to kilotons to megatons to multimegatons.

Our country has become the leader of the free world and must seek out constructive solutions. The mutual security program has accomplished much in this direction, and, because it is the principal U.S. agency in this field, it should be supported in every reasonable way to do the job more effectively.

Effectiveness of Program

In my few months as Director of ICA I have concentrated on the methods and the effectiveness with which the task has been carried out. I had heard criticisms of the operations and achievements of the program. In comparison with private business operations and other government programs I have known, I have been particularly interested to note the degree of conservation and concern for detail with which ICA has carried out its task. I believe that rather than being too hasty and ill-advised, as sometimes charged, the economic program has been, if anything, too cautious. The achievement of overall objectives has sometimes suffered in the effort to avoid operational or technical mistakes.

However, to indicate the overall effectiveness of the program and the problems we face, I wish to give you a picture of the situation in five representative countries where we are conducting programs.

Korea

Korea was significant from the standpoint of economic progress. This small country with a population of 22 million maintains the second

¹ Made before the House Committee on Foreign Affairs on Mar. 4. For a statement made by Secretary Dulles before the committee on Feb. 26, see BULLETIN of Mar. 17, 1958, p. 427.

largest army in the free world. It has suffered for several years all the economic ills which such an effort calls for, as well as those attributable to the destruction left by the war. However, after 3 successive years of rampant inflation which saw price indices rise 40 percent or more annually, in 1957 not only did prices hold steady, but in some commodities such as food and clothing, vitally important to the people, prices actually declined slightly. This is significant progress which can be attributed to the adoption by Korea of a more conservative fiscal and monetary policy, a real increase in per capita production of 12 percent, and a bountiful rice crop.

This constitutes substantial evidence not only of the beneficial results of U.S. assistance but, more importantly, of the fact that the Republic of Korea is doing many things for itself. The Government is now benefiting from soundly applied economic principles and shows every indication of determination to continue the sacrifices needed to sustain improvement. This is a good example of self-help stimulated by the program.

Yet Korea's economy, burdened by the requirement to face a large and ready military force, a still very inadequate agricultural and industrial production, scarcity of arable land and other known natural resources, unfavorable climate for private investment, and lack of skills and managerial ability, still requires substantial external aid and technical assistance.

Spain

In Spain ICA programs have made important contributions both to the betterment of the Spanish economy and to our base complex in Spain. With some improvement in their own food production, supplemented considerably by U.S. surplus agricultural commodities, the Spanish people are today eating more and better food than they have at any time in the last 20 years. Electric-power production and distribution, aided by \$35 million in defense-support financed generating and transmission equipment, has been greatly improved. In the last 3 years alone power consumption has grown by 42 percent and power losses due to poor transmission facilities have been reduced from 25 percent to 18 percent.

U.S.-financed highway equipment, after widening, leveling, and wherever necessary bridging 190 miles of access roads to the joint air and naval

bases, is now helping to improve other Spanish highways. The same is true for U.S.-financed railway equipment, which in the first years of the program was concentrated on strategic lines and is now being used to improve ore-carrying lines in the northwest important to Spain as means to carry a vital export earning commodity to market.

Spain is faced, however, with continuing serious inflation, with shortage of foreign exchange and unsatisfactory economic growth. The U.S. interest in completing and maintaining its military bases in Spain requires for the time being continuing U.S. assistance, which, if supplemented by a concentrated effort on the part of Spain herself should bring satisfactory results.

Bolivia

Faced with a severe and steadily worsening financial crisis late in 1956, the Government of Bolivia requested the United States to assist it in a stabilization program designed to put its economic house in order. In response to this request ICA, together with the International Monetary Fund and the U.S. Treasury, participated in December 1956 in the creation of a monetary stabilization program backed by joint contributions. Supported by the majority of Bolivia's population, dramatic results have been achieved in the comparatively short period of 15 months: The exchange has been reformed; the budget, tax, and tariff systems have been overhauled; Government expenditures have been regulated so as to forestall inflationary Central Bank financing; and all economic controls, except for a temporary wage and salary freeze, have been removed.

With the advent of a greatly improved economic climate, contraband and black-market activities stopped; agricultural production has risen; prices have dropped; and, most important of all, the investment climate has improved notably. Outstanding in this latter field is the formulation of a petroleum code (under the direction of a consultant financed in part by ICA) which has resulted in the entrance of foreign oil companies, mostly U.S., into the exploration and production of Bolivian oil. It is estimated that the dollar investment in this sector of the economy alone will amount to about \$230 million by 1962. Other U.S. companies whose interests lie in mineral exploitation are preparing to enter the Bolivian economy.

In summary, one can say that a significant start

toward economic stability has been made in Bolivia and the U.S. should continue to cooperate sympathetically with this country in its continuing struggle toward economic self-reliance and self-improvement.

Turkey

In Turkey our aid program has had some success yet is faced with particularly difficult and serious problems. Since 1948 industrial production has increased 86 percent. Gross national product is rising, though not far outstripping growth in population. Agricultural production capacity has been increased sharply though crops are now plagued by inadequate rainfall. New mineral resources, a road network, and electric-power capacity have been substantially developed.

Yet Turkey is faced with inflation, foreign debt is soaring, productive capacity has serious imbalances, and ability to import has been drastically cut. Economic aid and Public Law 480 [Agricultural Trade Development and Assistance Act] play an increasingly important role in meeting essential import requirements.

This is a crucial period for Turkey's economy. Serious deterioration threatens. The mutual security program must help Turkey meet this threat and work toward a stable currency and a well-balanced additional growth of their productive capacity.

Pakistan

With U.S. assistance Pakistan has been able to carry out the mutually agreed defense programs, increase the rate of capital investment moderately over the past year, and import sufficient commodities to keep its small industrial sector running and maintain an adequate food supply.

However, Pakistan's problems are far from being solved. Population increases one million each year. Industrial production is extremely low. Food consumption per person is still one of the lowest in the world. The economy is struggling under the burden of defense expenditures in excess of \$200 million equivalent annually, Government development expenditure is estimated to exceed \$200 million equivalent this year, and the need for food-grain imports is at the rate of one million tons annually. Over the past 2 years the U.S. has covered about two-thirds of food-grain import requirements through P.L. 480 sales. Foreign-exchange reserves were nevertheless drawn

down by \$82 million (out of \$373 million) during 1957, and a further drop is expected in 1958.

This lack of foreign exchange has restricted total investment activity and reduced the effectiveness of plans to use foreign and domestic resources for additional development. Self-sufficiency in food will be difficult to regain. It is unlikely that the present rate of development expenditure will expand production sufficiently to support even existing standards of living for the growing population, let alone support increased consumption or permit decreased reliance on external assistance. Yet even present rates of development expenditure cannot be continued in the absence of assurance of sufficient external aid.

This review of these countries shows considerable success on the economic level, but there still remain serious problems with which we must contend. In this connection I want to make two separate points. First, I have not referred to our political and military objectives and accomplishments in this review. In each case they have been considerable, but I know that your committee has heard and will hear other witnesses on this, and that insofar as the ICA is concerned your interest is in a good job done in the economic field.

The second point, and of importance in evaluating the effectiveness of our program, is what we spend our money on. Currently, about two-thirds of U.S. aid is in the form of furnishing commodities and so-called nonproject items.

The importance of this aid cannot be overestimated. It has been the critical factor that has enabled many countries to maintain large military establishments and to undertake other defense tasks which are of great significance to our mutual security. It has also, by supplementing their already overtaxed local resources, enabled these same countries, and many others as well, to deal successfully with difficult problems which were threatening their political stability, such as severe inflationary pressures, the influx of large numbers of refugees, natural disasters, and foreign-exchange shortages, and to finance some of the essential elements of their programs of economic development.

Developing Economic Growth

Now with regard to some of the projects that we have undertaken: It is significant that the Communist bloc has concentrated its efforts on projects

with an immediate and dramatic impact, such as paving the streets of Kabul or building a stadium in Rangoon. U.S. projects, on the other hand, are usually more long-term and are designed to develop the economic growth of the recipient country. Possibly it would have been wiser to select some projects that would have had more effect on the public, but it is questionable whether they would have been as sound from the economic point of view.

Here are three projects which illustrate this point as well as giving some idea of what our success has been.

Road Program in Turkey

In Turkey one of the chief obstacles to progress was the difficulty of getting agricultural products from the farm to the consumer and getting consumer goods—both imported and locally manufactured—to the towns and villages.

To meet this problem the United States embarked upon a cooperative road-construction program with Turkey. The total road mileage has been increased from 9,000 miles to approximately 17,000 miles. This includes both a national primary road system and a farm-to-market system which connects with the national roads. This means that large numbers of villages hitherto isolated, especially in eastern Turkey, have been brought into the trade and national life of Turkey. These roads are also of importance to the defense system of Turkey.

In the process 2,800 personnel employed by the Turkish Directorate of Highways have received on-the-job training; nearly 100 engineers and management personnel have received training in the United States; the Directorate of Highways has reached a high level of efficiency both in maintenance and planning of highways. Personnel are beginning to come from other countries in the Near East, and even a few from the Far East, to receive training at the Directorate of Highways. The Directorate has reached the point at which it can proceed under its own power, both financially and personnel-wise. All U.S. personnel will be withdrawn during 1958.

Rural Reconstruction in Taiwan

One of the obstacles to progress and a potential politically explosive factor in many underdeveloped countries is the concentration of land

ownership in a small group of people; the ordinary individual farmer does not have the opportunity to advance from the status of sharecropper to ownership of his own land. In Taiwan one sector of the work of the Joint Commission on Rural Reconstruction was addressed to this problem.

This program, which altered the pattern of farm ownership and landlord-tenant relationships in Taiwan, included three major phases: (1) rent reduction, (2) sale of public land to tenant farmers, and (3) sale of privately owned holdings to tenant farmers beginning in 1953, financed by the Government by the issue of stocks and bonds.

The Government was aided in its efforts by the U.S. assistance to the Joint Commission on Rural Reconstruction, which played a key role in bringing about these reforms. The commission made recommendations of methods of checking and bringing up-to-date the land records. It helped draft the necessary legislation. It also helped train the thousands of persons who carried out the program.

As a result of the program more than 300,000 tenant farmers were benefited from reduction of farm rent and 320,000 tenants became owners of former public and private lands. The percentage of tenant farmers decreased from 36 percent to 19 percent of total farmers.

The Joint Commission is still providing a small amount of technical and financial assistance, but its activities in this sector were substantially completed in 1956.

Resettlement Program in Viet-Nam

In Viet-Nam another project, or really a series of closely related projects, involved assistance to the Vietnamese Government in the migration and resettlement of well over 500,000 persons from communism in north Viet-Nam who poured into south Viet-Nam to stay in the free world.² The U.S. Navy, reimbursed from MSP funds, transported the bulk of these refugees. ICA helped build more than 40 reception centers to provide temporary facilities for shelter and care for these people. We worked with the Vietnamese Government in selection of permanent resettlement sites, furnished hand tools and housing materials with

² For a report on the first weeks of the evacuation published at Saigon in October 1954 by the Foreign Operations Administration Mission to Viet-Nam, see *ibid.*, Feb. 7, 1955, p. 222.

which the self-reliant refugees themselves built their new homes. We provided thousands of water buffalo and oxen to help the refugees work their new land. We provided funds to help construct roads and irrigation canals and meet other basic needs of these 500,000 people who refused to live under a Communist regime.

Those who have visited the permanent resettlement villages agree that the American people can feel proud of our effort in this project. This was a job of great magnitude equivalent to resettling all of the inhabitants of a city the size of Cincinnati in a previously unoccupied, uncivilized land. Yet the American people have very little knowledge of this accomplishment.

Substantive and Administrative Changes

I now wish to refer to some of the substantive and administrative changes that have been put into effect in the program:

1. The procedures relating to the use of U.S. universities in the program have been considerably improved in the last year. Our 55 contracting universities agree that this will lead to a greater vigor in the educational field.

2. We are increasing the use of schools and universities overseas and planning to increase their capacity to assist in urgently needed education in the newly developing countries.

3. We have revived the foreign-scientists program, under which many distinguished scientists will come to this country, and it is my hope that from some of these we will receive clues as to possible solutions of some of the world's problems.

4. We are sending out a small task force of businessmen to see how we can make better use of accumulated local currencies, and we are imposing checks to assure use of local currencies in lieu of dollars where possible.

5. We are looking to third countries for technicians who have special abilities and for training facilities. This is another effort to use all available assets but without disruption or competition with other countries' plans.

6. Under the new Executive order³ there has been a clarification of the chain of command in order to make our economic programs more responsive to foreign policy, at the same time allow-

ing for the concentration of ICA in the economic field.

7. The employment status of our personnel overseas has been improved, so that they have a more reasonable sense of security and continuity and are better able to carry out their jobs.

8. A program of special training of Mission Directors has been instituted.

9. A substantial step has been taken in improvement of the ICA contracting process by the establishment of a separate Contract Relations Office, which in turn has already completed in large part the standardization and simplification of procedures.

10. We have instituted a system of manpower-requirements and availabilities analyses to be used as an essential factor in determining the feasibility of and in designing projects.

11. We have strengthened procedures to help insure accountability for the use of assistance. Within the limits of administrative funds available the number of end-use checkers have been increased. The total recovered in refunds for improper use and put to proper use through January 31, 1958, is some \$375 million. This is tangible evidence of prompt and effective fiscal control of which the public is generally unaware.

These, then, are the steps now under way toward improvements in the operations of the economic mutual security programs. I have devoted much of my time in emphasizing the need for improvement, taking particular cognizance of constructive criticism.

One of our difficulties is the many changes in the form of the agency and the methods of carrying out the program. In addition there is a continual cry for something new and dramatic. This to me implies that either the present methods are not adequate or that the program Congress has authorized is tougher than any of us thought. I am a firm believer in new ideas, but there is no push-button method which will replace basic economic principle. We must follow proven lines rather than jumping from one idea to another.

We should consider what has been successful and not put ourselves in a position that implies—wrongfully, I believe—lack of firm policy and acting *ad hoc* in respect to specific criticism. The Soviet entry to this field should give us some assurance that it, at least, can see the successful results of the U.S. effort.

³ For text, see *ibid.*, Dec. 23, 1957, p. 991.

The Soviet Economic Offensive

A few weeks ago we issued our most up-to-date information on the Soviet-bloc economic aid program. We recognized that some would attack this as a device to squeeze out more funds for mutual security. We do not do business this way. We should have been delinquent if the information had been withheld.

This Soviet economic program *is* an important fact, and it must be given due weight in the formulation of our policies. The Soviets have revealed a large and apparently highly effective apparatus. The administration of Soviet aid is of particular significance to the operations of ICA. This aid is evidently expertly handled.

Large numbers of Soviet nonmilitary technicians and other personnel are in the field. We have made some comparisons between the numbers of U.S. and Soviet personnel in 11 countries. In these countries there are a total of 2,570 Soviet personnel compared with 1,890 U.S. Of these, 1,375 on the Soviet side were technicians, comparing with 1,035 for the U.S., the remainder being diplomatic, consular, and administrative-support personnel. These Soviet technicians are evidently excellent—with generally thorough professional training, careful country briefing, often language ability—and they are prepared to live and work under austere conditions.

In the past year well over 2,000 technicians, professionals, and students from less developed countries have gone to the bloc for special courses of study or for observation of bloc techniques of planning and production. Five hundred have enrolled in universities or other high-level educational institutions. India has sent 125 nationals to the U.S.S.R. for training in connection with the Bhilai Steel Mill, and the total training program in both the U.S.S.R. and India for this project will involve 5,000 Indians during 1957 and 1958.

Czechoslovakia, Poland, and East Germany have been the most active of the satellites in extending scholarships to students and technicians for technical training. Indonesia has sent 45 students to these countries, while Syria will send students to Czechoslovakia and Poland.

As I have already indicated, Soviet economic aid points up the importance they have given our mutual security program. To us the Soviet challenge means that we should continually seek better

methods to accomplish the purposes of the mutual security program.

Response to Criticisms of ICA

This brings me to the subject of the criticisms of the program that have been circulated, particularly in the past year. The committee has put most of these criticisms in the form of a series of questions and has asked that ICA respond to them with the facts. Some of these, as you know, are based on charges that have been recorded for some time and the agency has already supplied answers. However, in an endeavor to give the committee the full facts I requested a review of every one of the questions and, where necessary, that confirmation from our missions overseas be obtained. This job has not as yet been completed (we received 12 more items over the weekend), but I have brought with me a number of the items that have already been completed.

Regarding these criticisms I wish to make two points.

1. There is a greater need for fuller public understanding of the concept of mutual security. Only such an understanding can provide the foundation necessary to make this program effective in foreign countries. The criticism of the administration of the projects should not be confused with the concept itself.

2. We are here earlier this year to permit closer scrutiny of the program by Congress and the public. We welcome an interchange of constructive ideas concerning the administration of the program.

We need the ability to move fast, imaginatively, and effectively to meet changing situations in this troubled world. The Mutual Security Act has provided the framework for considerable flexibility through section 401 in conjunction with the contingency fund which we are again proposing. But to be quick on our feet is not only a question of statutory authority. It is a question of management and the abilities of our public servants to act effectively under constantly changing circumstances. This I believe to be the heart of our operational objective—flexibility, thoughtful ideas put to effective, responsive use. It is not enough just to “meet” the Soviet “challenge.” We have the initiative, and we must keep it.

We should use all assets—increase the participation of private enterprise—to utilize the resources of other countries in the free world for economic development. Careful study is being given various proposals arising from the *Time-Life-Stanford* San Francisco conference on world trade and economic development. Senator Monroney's proposal for an international development association under the World Bank may well generate an excellent supplement to the Development Loan Fund, both using, where possible, local-currency balances arising from the mutual security program and Public Law 480. Several countries, including Germany, the United Kingdom, and Japan, are undertaking economic aid programs. The Colombo Plan continues to give important developmental assistance. Also, the proposed expansion of United Nations technical assistance would bring forth resources from highly developed countries.

In the conduct of their aid programs the Soviets provide training for their technicians not only in their technical fields but in foreign languages. We must emphasize language training for our overseas personnel. We are starting from scratch in most of the newly developing countries. This is a serious deficiency except in the Latin American countries, where by now more than half our people are conversant in Spanish or Portuguese.

We expect to increase the use in our technical cooperation program of technicians from other countries. This should ease some of our recruitment problems by employing people with particular language competence and local familiarity and provide further evidence of our desire to make this a truly free-world mutual security effort.

I have been particularly concerned about the ever-increasing balances of local currencies accruing from the mutual security program and Public Law 480. Mr. Dillon has described to you the nature and dimensions of this problem. These currencies cannot solve the foreign-resources needs of a country, but they can do much toward bolstering the local economies. I have recently appointed a team of businessmen to study better utilization of these currencies.

Special reference should be made to our increased emphasis on programs in the fields of science. For the last 4 years the National Academy of Sciences, under contract with ICA, has administered a scientists' research project. About

200 scientists from Europe have been given an opportunity to exchange knowledge by working for 1 or 2 years at appropriate institutions in the U.S. We are now extending this contract for another period and are expanding it to worldwide coverage. We hope that during the next 12 months an additional 150 scientists will come to the United States for research work from Europe, Asia, Africa, and Latin America.

Fiscal 1959 Proposals

As regards the specific content of our fiscal year 1959 proposals, the ICA regional directors will be going through the program with you region by region in later sessions.

Mr. Ohly⁴ will be giving you more detail this afternoon on the concept and content of the categories of aid. Mr. Dillon and Ambassador McIntosh⁵ will discuss with you the Development Loan Fund.

I should like, however, to make one point regarding the Development Loan Fund. We are proposing incorporation of the fund. The fund will constitute an integral part, an important tool, in the mutual security program. The coordination between ICA's operations and the fund will continue to be intimate, not only through its Board of Directors but in the day-to-day activities and decisions of our staffs. In the field the fund will operate through U.S. embassies, calling on them for negotiations with the governments and on ICA personnel for technical and economic data and judgments. This will avoid duplication and insure consistency in the conduct of all economic aspects of the Government's programs abroad.

We are asking for \$33 million for the general administrative expenses of ICA during fiscal year 1959. As explained in the nonregional volume of the presentation book, this compares with about \$30.5 million of the funds appropriated last year under authority of section 411 (b)—an increase of \$2.5 million. We feel this increase is essential to maintain and provide minimum improvements to our operational abilities such as I have discussed earlier. The increment relates specifically to: (1) more thorough personnel training; (2) some new positions; (3) a projected net increase in man-

⁴ John H. Ohly, Deputy Director for Program and Planning, ICA.

⁵ Dempster McIntosh, Manager, Development Loan Fund.

year employment under presently authorized positions, providing fuller manning of key positions and staff for new locations currently being opened; (4) increases in rent and utility costs here and in some locations overseas; and (5) increases in State Department support and participating agency costs. It is expected that the ratio of staff to operating personnel will be reduced, action to be based on an analysis now being made of mission staffing patterns.

Now I should like to provide the committee with summary financial information for the nonmilitary portions of the mutual security program.

STATUS OF FUNDS

(in millions of dollars)

Fiscal Year 1958

Obligations

New appropriations	1,428.8
Unobligated prior year funds reappropriated or otherwise continued available	225.4
Transfer from military assistance	30.0
Reimbursement anticipated	1.4
Total available for obligation	1,685.6
Obligations 7/1/57-1/31/58	556.0
Estimated obligations 2/1/58-6/30/58	1,018.0
Estimated unobligated 6/30/58	111.6

Expenditures

Total available for obligations	1,685.6
Prior years' funds obligated but unexpended	1,664.8
Total available for expenditure	3,350.5
Actual expenditures 7/1/57-1/31/58	862.0
Estimated expenditures 2/1/58-6/30/58	653.0
Estimated unexpended 6/30/58	1,835.5

Fiscal Year 1959

Obligations

New appropriations requested	2,142.1
Unobligated prior year funds reappropriated or otherwise continued available	100.1
Total available for obligation	2,242.2
Estimated obligations FY 1959	2,017.2
Estimated unobligated FY 1959 (all Development Loan Fund).	225.0

Expenditures

New appropriations requested	2,142.1
Prior years' funds obligated or continued available	1,824.0
Total available for expenditure	3,966.1
Estimated expenditures FY 1959	1,677.6
Estimated unexpended 6/30/59	2,288.5
Increase unexpended balance close FY 1958 to FY 1959 (Development Loan Fund \$450 million; others \$3 million)	453.0

The committee will note there is an expected increase in unexpended balances of about \$453

million between June 30, 1958, and June 30, 1959. This is accounted for almost entirely by the Development Loan Fund, for which an appropriation of \$625 million is requested but only \$175 million is expected to be advanced. Advances from the fund should be expected to be low in relation to the fiscal year 1959 request in view of the long-term nature of the fund and the relative newness of the fund obligations.

Program Reductions in Fiscal 1958

I should also like to indicate our funds status at this time from a programing standpoint. The executive branch presented to the Congress requirements for nonmilitary programs in fiscal year 1958 totaling \$2,134 million. This included a request for contingency funds totaling \$200 million to cover requirements which were not firmly programed at that time. The Congress provided a total of only \$1,654 million to meet these requirements, thereby leaving unfunded a total of \$480 million.⁶ Of this amount, funds provided for the Development Loan Fund were reduced \$200 million below the executive branch request and funds requested for other programs were cut by \$280 million.

The reduction of \$280 million required as a minimum a reduction of \$80 million in program requirements which were firmly identified in the request, assuming it were possible to completely eliminate funds requested for contingent requirements which could be expected to develop.

Since that time, it has been necessary to finance new or additional requirements not specifically programed in our request totaling approximately \$114 million. In addition we now know of further new requirements which are expected to need financing this fiscal year totaling \$36 million. To meet these requirements it has been necessary to reduce program requirements presented to Congress last year by a total of \$200 million and to transfer \$30 million from military assistance funds, thereby reducing the amount available for military programs.

We have made these program reductions in as judicious a manner as possible in order to minimize their effects on U.S. objectives. It has gen-

⁶ For a table showing the legislative history of the mutual security program for fiscal year 1958, see BULLETIN of Oct. 14, 1957, p. 615.

RECAPITULATION OF PROGRAM REQUEST AND REDUCTIONS, FISCAL 1958

(in millions of dollars)	
Funds requested	2,134
Funds made available	1,654
Reduction	480
Deduct:	
Development Loan Fund reduction	200
Contingency fund (unprogramed)	200
Deficiency in programed accounts	80
Add:	
Requirements already financed but not programed	114
Requirements to be financed but not pro- gramed	36
Total presently known requirements in excess of funds available	230
Subtract transfer from military assistance	-30
Program reductions necessary	200

erally been possible to meet, therefore, those situations demanding immediate attention. Where activities could be deferred with a minimum of immediate impact on our objective, they have been deferred. It has been necessary, however, to make substantial reductions in some of our most important defense-support programs as follows:

	FY 1958 Congress- sional presenta- tion	FY 1958 Programs approved	Reduc- tions
(in millions of dollars)			
Defense support:			
Korea	270	215	55
Viet-Nam	225	175	50
Cambodia	30	24	6
China (Taiwan)	68	57	11
Turkey	75	70	5
Pakistan	60	50	10
			137

The remaining reductions of \$63 million affected technical cooperation, special assistance, and other programs.

Time alone will tell what the consequences of these reductions will be. At this point, with a third of the fiscal year remaining, we find ourselves with all funds programed. If additional requirements arise between now and June 30, 1958, we will be able to meet them only by additional cutbacks of planned programs with consequent repercussions.

Mr. [J. E.] Murphy, the Controller of ICA, is with me this morning to answer any further questions on the financial status of the program.

March 31, 1958

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Developments in the Cameroons

Statements by Mason Sears

U.S. Representative on the Trusteeship Council

STATEMENT ON BRITISH CAMEROONS¹

The British Cameroons are very close to the end of trusteeship. They are so close, in fact, that the United States delegation can suggest nothing that the Administering Authority is not already doing to wind up its responsibilities as trustee.

The situation is clear to the Council. Today the Territory is administered from Nigeria. Tomorrow it cannot be, because Nigeria will become independent as soon as final arrangements can be completed.

Accordingly both the northern and the southern divisions of the Territory will soon have to make a decision. They will have to choose between joining the new Nigerian nation or continuing under trusteeship for a while, to realize the objectives of the charter. This decision will be for them alone to make and will be subject to United Nations approval.

In any event dependency for the British Cameroons is drawing to a close. The people and their leaders are entering into a new phase of their political evolution. We hope they will anticipate it with spirit and confidence.

In many ways the adjustment of a formerly dependent people to a life of independence is more difficult than the achievement of independence itself. It is certainly less exciting. But it involves getting ahead, and this means sustained political and economic exertion, as it does with every nation.

Mr. President, there is a sense of accomplishment when the Council discusses conditions in a territory like the British Cameroons. In spite of certain economic problems it has made splendid progress. Its approach to graduation from the

¹ Made in the Trusteeship Council on Feb. 18 (U.S./U.N. press release 2870).

trusteeship under the United Kingdom is a reminder that, while the colonial issue is still packed with emotion, the country which organized the largest colonial empire of recent times has helped to establish independence in more than 90 percent of its former empire.

Mr. President, in conclusion I wish to thank the representative of the United Kingdom [Sir Andrew Cohen] and the Special Representative, Mr. [J. O.] Field, for the full and frank way in which they have contributed to this debate.

STATEMENT ON FRENCH CAMEROUN¹

The Camerounian people under French administration are very close to the end of trusteeship. Under the new statute authorized by the *loi cadre*, otherwise known as the framework law, Cameroun has been assuming all the attributes of statehood. The people now have their own flag, their own national anthem, and other emblems which are the familiar symbols of national existence. These things will mean more and more to them as time goes on.

The advanced status which they now enjoy has not been gained without political adjustments. The important point is that these adjustments have been made peacefully and within the established parliamentary system of Cameroun. The other day, for example, a new Prime Minister was voted into power by a new coalition of political parties. In other words, the membership of the legislature is showing a talent for orderly political activity under the democratic process.

As in all 14 of the legislative assemblies in French African territories, legislators are elected by a very broadly based electorate, on a "one man, one vote" basis. Four of the six trust territories in Africa are now in control of African legislators, elected under a system of universal suffrage.

It is also encouraging that the women of Cameroun are taking an increasing interest in the political life of the country.

Another development is that a separate Camerounian civil service has been established. This is a most important accomplishment, as a civil service is an indispensable instrument of government. In addition, the judicial system has been progressively developed. It is thus clear that the basic instruments for independence have been set

up in Cameroun. It will now be for the people themselves to assume responsibility for their efficient management.

Altogether, the institutions of self-government are showing a high degree of vitality. The Council should commend the people of the Territory for the vigorous way in which they have organized their governmental institutions into a workable whole.

Mr. President, it is also clear that an intensive effort is being made to support the political institutions of the country by sound economic and agricultural programs. Political stability rests very largely upon economic stability. In Cameroun agriculture plays a predominant part in the life of the people. It was good to learn, therefore, that the Ministry of Agriculture has stepped up its activities. Agricultural education is being emphasized. A stabilization fund is under serious consideration. Hydroelectric power is being increased. And agricultural credit is being made more widely available.

I would now like to refer briefly to the situation resulting from the recent enactment of a law which would extend amnesty to those who were involved in the violent outbreaks of 1955 and 1956.

Because the Territory is now on the edge of independence, the United States delegation would like to think that those elements of the population which resorted to political violence to attain their ends will now see the wisdom of relying on peaceful persuasion. But our fingers are crossed.

While it is probably true that many of those who were engaged in violence were stimulated by nationalist impulses, there is little doubt that the ringleaders were professionally trained agitators. Under Communist ideology these men are bound to a conspiracy which through the use of violence aims to break down law and order. This is the initial, the required, step which leads to the Communist takeover of any state. What a pity it would be to see any movement dedicated to violence and to the pitting of African against African carried over into the self-governing life of Cameroun.

Mr. President, before concluding, the United States delegation wishes to refer to the *loi cadre* and the statutes arising out of it. So much has

¹ Made in the Trusteeship Council on Feb. 27 (U.S./U. N. press release 2873).

been going on in Africa that the significance of this remarkable French law has not received the international attention which it deserves. Even in the very short time that the statutes enacted under it have been in force, extraordinary progress has taken place. It is almost as if a new process of political evolution has been discovered.

The speed at which political power is being transferred to the African leaders places upon them a tremendous responsibility. At any rate, the translation of the *loi cadre* into action has been executed with great boldness under French policy. African cabinet ministers and their French associates alike will have to exercise the greatest caution and skill if the political opportunities which have been opened up in such profusion are to be properly developed along stable and orderly lines.

The statute governing Cameroun has made the trust state into an outstanding illustration of successful political progress. The United States delegation wishes it continued success and believes that the Camerounians have been given an opportunity to set an example which will give encouragement and hope wherever peoples are assuming the responsibilities and duties of self-government.

United Arab Republic Welcomed to U.N. Trusteeship Council

Statement by Mason Sears

*U.S. Representative on the Trusteeship Council*¹

As a result of a plebiscite on February 21, 1958, Egypt and Syria have voluntarily united into the United Arab Republic.² The United Arab Republic is, therefore, in our opinion, their successor in the organs of the United Nations where formerly either Egypt or Syria participated.

On this occasion I wish to extend the good wishes of the United States of America to the United Arab Republic and to welcome its representatives to this council.

¹ Made in the Trusteeship Council on Mar. 7 (U.S./U.N. press release 2881).

² For a statement on U.S. recognition of the Government of the United Arab Republic, see BULLETIN of Mar. 17, 1958, p. 418.

Malaya Joins Monetary Fund and International Bank

The International Monetary Fund and the World Bank announced on March 7 that the Federation of Malaya had on that day become a member of the International Monetary Fund and the International Bank for Reconstruction and Development when the Articles of Agreement of these institutions were signed at Washington on behalf of the Government of Malaya by Ismail bin Dato' Abdul Rahman, Ambassador for Malaya in the United States.

The quota of Malaya in the International Monetary Fund is \$25 million, and its subscription to the capital stock of the bank is 250 shares with a total par value of \$25 million.

Sixty-five nations are now members of the fund and bank. Admission of Malaya brought the total of members' quotas in the fund to \$9,031,000,000. The total subscribed capital of the bank is now \$9,358,400,000.

Mr. Bates To Be U.S. Member of Pacific Halibut Commission

The White House announced on March 12 that the President had that day appointed William A. Bates to be a member on the part of the United States of the International Pacific Halibut Commission, vice J. W. Mendenhall, resigned.

Current U.N. Documents: A Selected Bibliography¹

Security Council

Decisions Taken and Resolutions Adopted by the Security Council During the Year 1957. S/INF/12, January 14, 1958. 10 pp. mimeo.

Letter Dated 24 January 1958 from the Representative of Pakistan Addressed to the President of the Security Council. S/3943, January 24, 1958. 3 pp. mimeo.

Letter Dated 30 January 1958 from the Representative of Israel Addressed to the President of the Security Council. S/3945, January 30, 1958. 3 pp. mimeo.

Letter Dated 30 January 1958 from the Representative

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

of Syria Addressed to the President of the Security Council. S/3946, January 31, 1958. 2 pp. mimeo.
 Letter Dated 4 February 1958 from the Permanent Representative of Syria Addressed to the President of the Security Council. S/3948, February 4, 1958. 1 p. mimeo.
 Letter Dated 13 February 1958 from the Permanent Representative of Tunisia Addressed to the President of the Security Council. S/3951, February 13, 1958. 2 pp. mimeo.

TREATY INFORMATION

Current Actions

MULTILATERAL

Automotive Traffic

Convention on road traffic, with annexes. Done at Geneva September 19, 1949. Entered into force March 26, 1952. TIAS 2487.
Accessions deposited: Portugal, December 28, 1955; Cambodia, March 14, 1956; New Zealand (with declaration), February 12, 1958.
Notification by Portugal of application to: Overseas Provinces (excluding Macao), January 19, 1956.
Notification by Spain of application to: African localities and provinces, February 13, 1958.
 Protocol providing for accession to the convention on road traffic by occupied countries or territories. Done at Geneva September 19, 1949. TIAS 2487.
Accessions deposited: Portugal, December 28, 1955; Cambodia, March 14, 1956.
 Convention concerning customs facilities for touring. Done at New York June 4, 1954. Entered into force September 11, 1957. TIAS 3879.
Ratification deposited: Italy, February 12, 1958.
 Customs convention on temporary importation of private road vehicles. Done at New York June 4, 1954. Entered into force December 15, 1957. TIAS 3943.
Ratification deposited: Italy, February 12, 1958.

Aviation

Agreement on joint financing of certain air navigation services in Greenland and the Faroe Islands. Done at Geneva September 25, 1956.¹
Acceptance deposited: Italy, February 7, 1958.
 Agreement on joint financing of certain air navigation services in Iceland. Done at Geneva September 25, 1956.¹
Acceptance deposited: Italy, February 7, 1958.

Finance

Articles of agreement of the International Monetary Fund. Opened for signature at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1501.
Signature and acceptance: Federation of Malaya, March 7, 1958.
 Articles of agreement of the International Bank for Reconstruction and Development. Opened for signature at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1502.
Signature and acceptance: Federation of Malaya, March 7, 1958.

¹ Not in force.

Weather Stations

Agreement on North Atlantic ocean stations. Done at Paris February 25, 1954. Entered into force February 1, 1955. TIAS 3186.
Acceptance deposited: Italy, February 7, 1958.

BILATERAL

Australia

Agreement providing for the construction and operation of a weather station on Nauru Island. Effected by exchange of notes at Canberra February 19 and 25, 1958. Entered into force February 25, 1958.

France

Agricultural commodities agreement under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (68 Stat. 455; 7 U. S. C. 1701-1709), with memorandum of understanding and exchange of letters. Signed at Paris February 28, 1958. Entered into force February 28, 1958.

Italy

Agricultural commodities agreement under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (68 Stat. 455; 7 U. S. C. 1701-1709), with memorandum of understanding and exchange of notes. Signed at Rome March 7, 1958. Entered into force March 7, 1958.

Korea

Agreement amending research reactor agreement concerning civil uses of atomic energy of February 3, 1956 (TIAS 3490). Signed at Washington March 14, 1958. Enters into force on date on which each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

Poland

Agreement providing for an informational media guaranty program. Effected by exchange of notes at Warsaw February 12, 1958. Entered into force February 12, 1958.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on March 12 confirmed John M. Allison to be Ambassador to the Republic of Czechoslovakia and Robert G. Barnes to be Special Assistant for Mutual Security Coordination in the Department of State.

Designations

Robert M. Carr as Director, Office of International Resources, effective March 11.

Robert J. Cavanaugh as Deputy Director, Visa Office, effective March 9.

William M. Gibson as Deputy Director, Office of International Conferences, effective March 9.

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Check List of Department of State Press Releases: March 10-16

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C. Releases issued prior to March 10 which appear in this issue of the BULLETIN are Nos. 101 of March 3, 106 of March 5, and 117 of March 7.

No.	Date	Subject
119	3/10	Honduras credentials (rewrite).
120	3/11	German Minister of Economics to visit U.S.
121	3/11	Dulles: opening statement at SEATO Council.
122	3/13	Dillon: "U.S. Foreign Economic Policy."
†123	3/13	O'Connor: "Our Immigration Policies and the International Scene."
124	3/13	Dulles: final statement at SEATO Council.
125	3/13	SEATO Council final communique.
†126	3/14	McKinney: "Atomic Policy in the Space Age."
†127	3/14	Program for visit of Vice President of India (rewrite).
128	3/14	Hungarian patriotic holiday.
129	3/15	U.S. statement on resumption of disarmament talks.

†Held for a later issue of the BULLETIN.

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